

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
GOVERNMENTAL FUND
BALANCE SHEET
 June 30, 2020

	General Fund
Assets	
Cash and investments	\$ 11,016,074
Accounts receivable	4,453,933
Prepaid expenditures	<u>11,595</u>
Total assets	<u>\$ 15,481,602</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	\$ 1,435,818
Accrued expenditures	62,200
Unearned revenue	<u>1,946,727</u>
Total liabilities	<u>3,444,745</u>
Fund Balance	
Nonspendable	
Prepaid expenditures	11,595
Restricted:	
SAFE	1,658,683
Assigned:	
Commuter rail leases	208,689
Railroad leases	1,582,951
Committed:	
OPEB	85,219
Caltrans	410,929
Unassigned	<u>8,078,791</u>
Total fund balance	<u>12,036,857</u>
Total liabilities and fund balance	<u>\$ 15,481,602</u>

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2020

	<u>General Fund</u>
Revenues:	
Federal Revenues:	
SR 156 Project Management	\$ 6,206
	<u>6,206</u>
State Revenues:	
Prop 116	4,923,096
TCRP	657,774
Freeway Service Patrol	271,652
SAFE	387,740
Rural Planning Assistance	455,539
Planning, Programming and Monitoring	234,000
RSTPI & RSTPP	139,801
Local Transportation Fund	1,353,740
SRTS Marina Seaside	61,563
SRTS Salinas	85,200
Mo. County Regional Cons. Strategy	242,511
Mo. Bay Rail Network Integ Study	282,417
PTA-STIP	1,908,912
FORTAG Environmental Phase	356,567
	<u>11,360,512</u>
Local Revenues:	
CMP	243,076
Interest	214,036
Lease revenue - MBL Row and Commuter Rail	292,683
RDIF	10,000
Cal Am Water	(60)
STRS ATP every child	61,260
Handcars advance	6,131
Measure X - Projects/Programs	865,005
Measure X - Materials and Services	27,297
Measure X - Administration	164,520
	<u>1,883,948</u>
Total revenues	<u>13,250,666</u>
Expenditures:	
Salaries and wages	1,686,207
Fringe benefits	599,698
Total personnel	<u>2,285,905</u>
Services and supplies	392,773
Total operating expenditures	<u>2,678,678</u>
Direct programs	<u>11,656,631</u>
Total expenditures	<u>14,335,309</u>
Excess (deficiency) of revenues over expenditures	(1,084,643)
Fund balance, beginning of fiscal year	<u>13,121,500</u>
Fund balance, end of fiscal year	<u>\$ 12,036,857</u>

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2020

	Private Purpose Trust Funds				Totals
	Local Transportation Fund	State Transit Assistance Fund	State Highway Account Fund	Transportation Safety and Investment Plan Account Fund	
ASSETS					
Cash and investments	\$ 1,377,324	\$ 115	\$ 15,016,791	\$ 29,442,833	\$ 45,837,063
Accounts receivable	3,090,896	1,412,337		5,320,416	9,823,649
Loan to Del Rey Oaks				764,713	764,713
Loan to Gonzales				2,001,218	2,001,218
Total assets	4,468,220	1,412,452	15,016,791	37,529,180	58,426,643
LIABILITIES					
Liabilities:					
Due to other agencies	1,903,866	1,412,337	494,023	4,702,253	8,512,479
Total liabilities	1,903,866	1,412,337	494,023	4,702,253	8,512,479
NET POSITION					
Held in trust for:					
Other agencies	2,564,354	115	14,522,768	32,826,927	49,914,164
Total net position held in trust	\$ 2,564,354	\$ 115	\$ 14,522,768	\$ 32,826,927	\$ 49,914,164

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2020

	Private Purpose Trust Funds				Totals
	Local Transportation Fund	State Transit Assistance Fund	State Highway Account Fund	Transportation Safety and Investment Plan Account Fund	
Additions:					
SB 1 Additional Gas Tax	\$ -	\$ 817,726	\$ -	\$ -	\$ 817,726
Sales tax	17,701,210	5,031,228		28,593,906	51,326,344
State Highway Account funds			5,270,769		5,270,769
Interest, loss recovery, and other fees	39,347	3,479	267,188	631,913	941,927
Total additions	17,740,557	5,852,433	5,537,957	29,225,819	58,356,766
Deductions:					
Claims paid to:					
Carmel				198,339	198,339
Del Rey Oaks				72,022	72,022
Gonzales				200,992	200,992
Greenfield				433,183	433,183
King City				393,351	393,351
Marina			59,272	680,105	739,377
Monterey			589,113	1,042,025	1,631,138
Pacific Grove			128,863	564,803	693,666
Salinas			253,051	4,307,506	4,560,557
Sand City				28,616	28,616
Seaside			428,581	1,023,230	1,451,811
Soledad				576,569	576,569
County of Monterey			2,446,713	7,284,754	9,731,467
TAMC					
Administration	908,484			288,823	1,197,307
Materials, services, and project costs	699,450		139,802	2,410,295	3,249,547
Monterey - Salinas Transit	16,714,575	5,854,040			22,568,615
Total deductions	18,322,509	5,854,040	4,045,395	19,504,613	47,726,557
Change in net position	(581,952)	(1,607)	1,492,562	9,721,206	10,630,209
Net position - held in trust, beginning of fiscal year	3,146,306	1,722	13,030,206	23,105,721	39,283,955
Net position - held in trust, end of fiscal year	\$ 2,564,354	\$ 115	\$ 14,522,768	\$ 32,826,927	\$ 49,914,164

The notes to basic financial statements are an integral part of this statement.



Moss, Levy & Hartzheim LLP

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Transportation Agency for Monterey County
Salinas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Transportation Agency for Monterey County (the Agency), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated April 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Renz & Haugheim LLP

Santa Maria, California
April 16, 2021

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF AUDIT FINDINGS AND RECOMMENDATIONS
For the Fiscal Year Ended June 30, 2020

There were no financial statement findings.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS
For the Fiscal Year Ended June 30, 2020

There were no prior fiscal year financial statement findings.



April 16, 2021

To the Board of Directors
Transportation Agency for Monterey County

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Transportation Agency for Monterey County as of and for the fiscal year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 10, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Transportation Agency for Monterey County are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:

Management's estimate of the useful lives of capital assets is based on experience with other capital assets and on their standard table of useful lives. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefits (OPEB) liability and deferred inflows and outflows related to OPEB are based on the actuary's expertise and experience. We evaluated the key factors and assumptions used to develop the other postemployment benefits (OPEB) liability and deferred inflows and outflows related to OPEB in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability and deferred inflows and outflows related to pension are based on the CalPERS actuary's expertise experience. We evaluated the key factors and assumptions used to develop the net pension liability and deferred inflows and outflows related to pension in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosures of the Pension Plan in Note 6 and the Postemployment Benefits other than Pension in Note 7 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by

management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 16, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the Transportation Agency for Monterey County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Moss, Remy & Haugheim LLP

Santa Maria, California