TRANSPORTATION AGENCY FOR MONTEREY COUNTY

FINANCIAL STATEMENTS
June 30, 2015

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
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FINANCIAL SECTION

Moss, Levy & Hartzheim LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Transportation Agency for Monterey County
Salinas, California

Report on the Financial Statements

We have audited the accompanying 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 and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Transportation Agency for Monterey County, as of June 30, 2015, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principles

As discussed in note 1 to the basic financial statements effective July 1, 2014, the Transportation Agency for Monterey County adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 3-12, the budgetary comparison information on pages 37 and 38, the schedule of funding progress for the post employment benefits other than pensions on page 39, the schedule of proportionate share of net pension liability on page 40, and the schedule of contributions on page 41, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The budgetary, allocation, and claims schedules, are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary, allocation, and claims schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information section is fairly stated in all material respects in relating to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2015, on our consideration of the Transportation Agency for Monterey County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim LLP

Santa Maria, California
December 16, 2015

Management's Discussion and Analysis

Overview of the Transportation Agency and Audited Finances
for Fiscal Year Ending June 30, 2015

General

The Transportation Agency for Monterey County (Agency) is a statutorily-designated association of local officials who have joined together to solve transportation problems throughout Monterey County. Officials from each of the twelve incorporated cities in Monterey County and all five County Supervisors represent the public on the Board of Directors. The Agency's goal is to make it safer and easier for travelers to get where they want to go, whether they are commuting to work or school, transporting goods to market, visiting local attractions, going shopping, or traveling to medical appointments. The Agency works to improve safety and reduce future traffic congestion, using a combination of solutions, such as roads, buses, trains, and trails. The Agency's mission is to "develop and maintain a multimodal transportation system that enhances mobility, safety, access, environment quality, and economic activities in Monterey County."

The Board of Directors sets policy and oversees a professional staff of 13 full-time employees and 1 part-time employee. About 81% of the Agency's funding comes from state and federal grants. Local funding is primarily from member agency contributions.

Work Program Highlights

During fiscal year (FY) 2014/2015, the Transportation Agency for Monterey County undertook a wide variety of programs focusing on regional transportation planning, acting as the designated Regional Transportation Planning Agency, the Local Transportation Commission, the Congestion Management Agency, and the Service Authority for Freeways and Expressways for the Monterey County area. The Agency's activities are described in detail in the annual Work Program, and highlighted below.

The Agency underwent a goal-setting session in early 2011 and set the following as its top priority projects for the next ten years: US 101 San Juan Road interchange, Highway 156 widening, US 101 South County Frontage Roads, local road/street improvements, Salinas Rail Extension, and Monterey Branch Line light rail. In late 2012, this list was updated to include bus replacements as another top priority.

The Transportation Agency continued to reach out to the public to improve safety and reduce traffic congestion on area roadways and bring rail to Monterey County through community meetings, city council appearances, press releases, newspaper editorials, and the distribution of the Agency Annual Report. Continuing this year are televised board meetings. The Agency also runs a community outreach program for its construction projects – this includes sending out regular updates about road construction activities using traditional and social media, which is called "The TAMC Cone Zone".

This year, Agency staff assisted AMBAG staff with the update of the 2011 Monterey Bay Area Public Participation Plan. Staff attended meetings to help prepare the new 2015 Public Participation Plan; provide input and reviewed drafts of the revised plan. TAMC and AMBAG staff made a joint presentation on the updated plan to the TAMC Technical Advisory Committee and the plan was adopted by both Agencies' Boards of Directors.

Agency staff also prepared a public outreach document to increase public awareness and understanding of transportation needs and funding challenges. The document, "Investing in our Regional Transportation Needs" was presented to the TAMC Board of Directors, agency committees and to community leaders, business groups and organizations.

The Agency worked with Caltrans on state highway projects to ensure their progress in a timely manner. One of the Agency's high priority projects, the US 101 Prunedale Improvement Project, was completed in fiscal year 2014-15, while the US 101 San Juan Road Interchange Project saw significant construction progress in fiscal year 2014-15 and is scheduled for completion in early fiscal year 2015-16. Agency staff also conducted pre-construction outreach to bring awareness to the Holman Highway 68 Roundabout project, expected to begin construction in spring of 2016.

The Agency is actively investigating alternative funding sources, including a tolling option to construct the Highway 156 West Corridor Project. The Agency conducted an initial tolling traffic and revenue study, which was jointly funded by Caltrans. The results of the Sketch Level study indicated tolling to finance construction of the Highway 156 widening project could be feasible. The Agency Board directed Staff to conduct a Level 2 Traffic and Revenue Study to provide a more detailed analysis of the feasibility of tolling as a funding option. Concurrently staff will work with Caltrans to initiate a Supplemental Environmental Impact Report to evaluate the impacts of instituting tolling to finance the Highway 156 West Corridor project. The lead role for the Transportation Agency on the Highway 156 West Corridor project includes participation on the project development team, identification and securing of project funding, coordination with local agencies and community members, and assistance or in some cases taking the lead on community outreach and information and media relations.

Throughout the period, Agency staff assisted the Monterey County Public Works Department on project development coordination for the Highway 1 Truck Climbing Lane project in Carmel and intersection projects on Monterey-Salinas Highway (Route 68). The County is finalizing the environmental review phase and moving into the final design stage of the Corral De Tierra Intersection improvements at Route 68 and the project is scheduled to start construction in 2016-17. The Highway 1 Truck Climbing Lane project is also scheduled to start construction in 2016-17. Staff also assisted the City of Marina on project development coordination for improvements at the Highway 1/Imjin Road Interchange, and for preliminary design to widen Imjin Road between Imjin Parkway and Reservation Road. Staff also worked with Caltrans and the

City of Salinas to secure state bond funding to fund improvements at the Highway 101/Sanborn Rd Interchange.

Agency staff is working with AMBAG and other participating agencies on the development of the US 101 Freight Study to improve goods movement throughout the US 101 corridor and highlight goods movement projects for state and federal funding.

Agency staff continued work on the Salinas Rail Extension. The Agency continued coordination on a state-only funded "Kick Start" project of service to Salinas with improvements at Salinas and Gilroy in the near term, deferring the stations at Pajaro/ Watsonville and Castroville until additional funding can be secured. The Agency continued the property appraisal work for the station parcels in Salinas. The Agency also initiated the contract for the final design of the Kick Start project and coordinated meetings with partner agencies. In addition, the Agency applied for both Cap and Trade and TIGER grant funding for the Pajaro Station improvements.

Staff continued to include the light rail into the Agency's Highway 1 corridor plans and to develop policies and practices that will optimize the land use and improve the environment around the light rail stations. Monterey Salinas Transit is proposing a busway that would run adjacent to the railroad tracks between Marina and Monterey to provide interim transit service along the corridor. The project is in the feasibility stage and Monterey-Salinas Transit is pursuing Federal Transit Administration Small Starts funding.

Staff also continued discussions with the California American Water on locating a water pipeline in the Branch Line right-of-way. The City of Sand City and the Agency have on-going discussions on the possibility of an easement for California Avenue, and shared parking near Contra Costa Street. Agency staff has also worked with the City of Marina to insure modifications to the intersection of Del Monte Blvd. and Beach Road don't reduce the viability of future transit service within the Monterey Branch Line right-of-way. The Agency continued to perform routine maintenance and receive lease revenues from the Monterey Branch Line right-of-way. The Agency and State Parks have had ongoing discussions for proposed easements at the Monterey Branch Line Balloon Spur Right of way at Ft Ord Dunes State Park.

The Agency continued to work with state and federal legislators on transportation planning and funding issues, in coordination with the Agency's state legislative advocate. Much of this work focused on communicating with state and federal representatives about the Salinas Rail Extension project and state cap and trade funding for transportation. Agency staff monitored legislation, updated and promoted the state and federal legislative programs, prepared and updated the state legislative bill list, and wrote letters of support and opposition as appropriate.

The Transportation Agency oversaw the Freeway Service Patrol tow truck assistance program in Monterey County, in coordination with state and local representatives from California Highway Patrol and Caltrans, operated by local contractors. To reduce impacts through the construction zones, the Agency continued additional weekend tow truck assistance to the contract, on US 101 between the Highway 101/156 Interchange and San Juan Road, funded with monies from the Prunedale Improvement Project and the San Juan Road Interchange Project. The Agency updated the data collection system to an iPad based app system in fiscal year 2014-15, greatly improving the reliability of the data collection system. Partnering with the local Highway Patrol office, the Agency continued to hold localized quarterly training for tow truck operators.

The Agency continued to administer the Monterey County call box motorist assistance program, including management and monitoring the contract with and performance of the call center. The agency also managed a new call box maintenance contract, which includes site improvements for call box accessibility.

The Agency began the preliminary ground work to implement the Monterey Bay Area 511 program as well as the Monterey County Rideshare Program. The Agency also updated the "Emergency Ride Home" Program for commuters in Monterey County.

The Agency continued planning efforts to improve the safety of bicyclists and pedestrians in Monterey County. These activities included: initiation of a Bicycle and Pedestrian Wayfinding Plan, the formation of a Regional Trail Planners Advisory Council, which brings together representatives from local nonprofits, jurisdictions and other stakeholders interested in expanding the trail networks in Monterey County, the use of the Bicycle Facilities Service Request Forms, and the development of a new Monterey County bike map. The Agency assembled a Wayfinding Plan Advisory Committee, comprised of representatives from the Bicycle and Pedestrian Facilities Advisory Committee, local jurisdictions, bicycle groups, and non-profits, to assist with the preparation of the Wayfinding Plan. Committee members have assisted staff with developing goals for the Wayfinding Plan, identifying regional bicycle and pedestrian routes, and providing input on signage design.

Bike Month is a national campaign held annually in May to promote bicycling. The Agency dedicated Transportation Development Act funds for an annual campaign over a three year funding cycle, and worked with the Bicycle and Pedestrian Advisory Committee on planning for future campaigns. 2015 Bike Month activities included the Salinas Criterium Bike Race, 4th Annual Bicycling Monterey Intergenerational Ride, Monterey Hostel Bike Travel 101, Salinas Community Ride, Bike Skillz training and Bike to School week events at several elementary schools. The Transportation Agency also contracted with Ecology Action to leverage TAMC funds to secure additional funding from the Monterey Peninsula Foundation and the Community Foundation of Monterey County. In total, Ecology Action conducted bicycle safety trainings at 17 schools in Monterey County, reaching 303 students.

In spring of 2015, the Transportation Agency launched an effort to study the State Route 68 Corridor in Pacific Grove and identify safety improvements for bicyclists and pedestrians.

The Agency also assisted local jurisdictions in funding bicycle and pedestrian projects, including the Castroville crossing project, the Moss Landing Sanctuary Scenic Trail project, the Imjin Parkway Class II bicycle lane project, Salinas Downtown Vibrancy street design, and Davis Road Class II bike lane project. As part of its complete streets efforts, the Agency developed a plan for bicycle and pedestrian improvements to provide regional linkages to the Carmel area. The Agency also initiated a new round of the Bicycle Secure Program, which provides free bicycle racks and lockers (this year expanded to include repair stations, and skateboard racks) to local businesses, non-profits, and government agencies.

The Agency is the implementing agency for the Via Salinas Valley Active Transportation Program that will provide bicycle and pedestrian improvements in five Salinas Valley cities. Staff is working with the cities to complete project designs by early 2016 and start construction in late 2016.

The Agency continued screening incoming environmental documents and traffic impact assessments to determine consistency with Transportation Agency plans, programs, and policies, and to address impacts of proposed developments on regional transportation infrastructure. Major projects reviewed included the Ferrini Ranch DEIR and the Monterey Downs DEIR.

The Transportation Agency continued the Regional Traffic Counts Program, collecting traffic counts across the county. This data was made available to AMBAG to support the regional travel demand model and utilized by Caltrans for highway project evaluations and the Corridor System Management Plan and by our partner jurisdictions for plan and project review.

The Agency continued participating with the Monterey Bay Electric Vehicle Alliance, a public-private partnership to plan and facilitate the adoption of electric vehicles in the tri-county region. In a prior year, the Agency partnered with the International Brotherhood of Electrical Workers Local 234 to receive an Air District grant for the purchase and installation of seven charging stations. This year, the Agency installed two of the seven stations, and is currently working with property owners to collect the matching funds and schedule the remaining five installations.

The Agency began strategic planning and stakeholder outreach for development of the 2018 Regional Transportation Plan, which will be an update to the 2014 Regional Transportation Plan and Metropolitan Transportation Plan. The effort, called *Keep Monterey County Moving*, will result in substantial revisions to the Agency's priority project list and financial element. Outreach will be conducted to all areas of the county and all populations, including environmental justice areas.

The Agency adopted the Marina-Salinas Multimodal Corridor Conceptual Plan in June 2015. The Plan includes conceptual roadway designs to accommodate high-quality transit service and regional bicycle travel in addition to improve driving, and pedestrian safety. The plan is a culmination of input from many partner agencies, stakeholders and members of the community.

The Agency continued to administer Transportation Development Act funds in accordance with state law, coordinating with the Monterey-Salinas Transit Mobility Advisory Committee, which serves as the designated Social Services Transportation Advisory Council for Monterey County, holding public hearings regarding unmet transit needs, and adopting an unmet transit needs finding. Staff will work on modifying the unmet transit needs definition and process to develop a list of priority needs that may be met as funding becomes available. The Agency approved Local Transportation Fund allocations for countywide transit services consistent with the unmet needs finding.

In addition, the Agency administered and monitored delivery of projects funded by the Transportation Development Act Article 3 bicycle/pedestrian (TDA 2% program) account. Staff prepared agendas for and held meetings of the Bicycle and Pedestrian Facilities Advisory Committee to discuss transportation issues and solicit input for programming future TDA funds to projects over the next three years.

Financial Highlights

Net Position of the Agency decreased from $20,880,115 on June 30, 2014, to $20,199,153 on June 30, 2015, primarily due to the implementation of GASB 68 and the Caltrans repayment agreement. The Agency has undesignated reserves of $5,713,418 as of June 30, 2015. The Agency requires the maintenance of undesignated reserves equal to six months of operating expenditures. Of the $5,713,418 in undesignated reserves, $1,211,150 is reserved for six months of cash flow for the operating budget for FY 2015/2016.

Transportation Agency for Monterey County Revenues and Expenditures

The Agency revenues during FY 2014/2015 were $4,462,844, consisting primarily of $3,510,247 in state funds. Other revenues included $110,805 in federal funds, and $841,792 in local funds.

The Agency budget separates expenditures into two types: operating and direct program. Operating expenditures include the staff's salaries and benefits, materials and services, and equipment purchases. Direct program expenditures include outside consultants, contracts, expenditures that apply to a specific work program task, such as the rail program, highway projects and bicycle and pedestrian program. The Agency expenditures for the same period included $ 1,957,992 in operating expenditures, and $1,529,300 in direct program costs.

Direct program activities are described above in the Work Program Highlights section. The major portion of the direct program costs were $182,801 for Freeway Service Patrol, $89,072 for Call Boxes (SAFE), $78,394 for Public Outreach, $99,029 for SR 156 West

Project Management, $343,214 for Complete Streets Project Management and $448,617 in rail program expenditures for Salinas Rail Extension activities.

The Agency operating expenses of $1,957,992 included 82.1% for personnel costs and the remainder for materials, services, and equipment purchases. The operating expenses in FY 2014/2015 were 3.0% less than the previous fiscal year.

Overall Financial Position

The overall financial position of the Agency improved during FY 2014/2015, with the total fund balance increasing from $ 9,000,138 to $9,975,690. Federal Planning funds increased from $106,363 to $110,805, and Planning, Programming and Monitoring funds decreased from $625,729 to $328,452. The funding sources for the Agency's operating program include Federal Planning Funds, State Rural Planning Assistance, Planning, Programming & Monitoring funds, Local Transportation Funds, State support for the tow truck program and the call boxes, local contributions to congestion management activities and Federal, State and Local grants. State and Federal grants for the direct programs such as rail, highway, and bicycle/pedestrian projects vary from fiscal year to year, depending on the project activities.

Highlights of the Transportation Agency for Monterey County funds

In FY 2014/2015, the Transportation Agency for Monterey County continued to follow the requirements of Governmental Accounting Standards Board (GASB) Statement No 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB 54 establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for government funds. Fund balances, presented in the governmental fund financial statements, represent the difference between assets and liabilities reported in a government fund.

For the fiscal year ended June 30, 2015, the Agency implemented Governmental Accounting Standard Board (GASB) Statement 68, Accounting and Financial Reporting for Pensions. This statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This statement replaces the requirements of GASB Statement No 27, Accounting for Pensions by State and Local Governmental Employers as well as the requirements of GASB Statement 50, Pension Disclosures. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. GASB 68 requires that governments who provide defined benefit pension plans to their employees are required to record and reflect the net long-term liabilities (the difference between plan assets and actuarial plan liabilities) associated with such plans. In many cases, this results in a significant reduction of fund net assets (or equity). At June 30, 2015, the Agency reported a liability of $633,533 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014.

For the fiscal year ended June 30, 2015, the Agency also implemented Governmental Accounting Standard Board (GASB) Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. This statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68.

Over the 12-month period from July 1, 2014, to June 30, 2015 the reserves for the call box program increased, from $ 1,250,600 to $1,396,082. The reserves for the tow truck program increased from $416,942 to $484,923. Designations for capital replacement remained unchanged at $114,586. The undesignated fund balance decreased from $5,977,921to $5,713,418.

The Agency trust fund balances increased by a total of $776,822 during FY 2014/2015, as the local member agencies claims for previously-obligated funds was less than revenue received. This resulted in the following net position as of June 30, 2015:

♦ Local Transportation Fund	$ 3,750,250
♦ State Transit Assistance Fund	$ 616,981
♦ Regional Surface Transportation Program	$ 9,374,461
TOTAL TRUST FUNDS	$13,741,692

Budget Variances

The Agency's actual operating expenditures for FY 2014/2015 were below the budgeted expenditures by $518,697, due to savings in salaries and benefits, capital outlay and materials and services. Direct program expenditures were $6,559,014 less than budgeted due to less than anticipated activity on certain projects, primarily for the Salinas Rail Extension project.

Long-term debt of the Transportation Agency consists of a reserve for compensated absences of employees, Other Post-Employment Benefits, pension liability and a reimbursement agreement with Caltrans which had a balance on June 30, 2015 of $1,738,826.

Current Financial Issues and Concerns

The biggest risk to the agency continues to be a reduction in federal and state planning funds for an extended period of time or activities being ruled as ineligible. The Association of Monterey Bay Area Governments reduced the amount of Federal Highway Planning Funds provided to the Agency from approximately $280,000 in past years to $100,000 in FY 2013/2014, $65,000 in FY 2014/2015 and $0 in upcoming FY 2015/16. There also has been a significant reduction in STIP Planning, Programming and Planning funding for operations. The Agency is working to reduce discretionary expenses should these decreases be permanent, and has an adequate reserve to cover a temporary decrease in funding.

Despite the funding uncertainties, the Agency continues to control expenditures to stay within its budget, and maintain a prudent cash reserve. Cash flow is enhanced by the implementation of an electronic fund transfer system that results in the timely transfers of state and federal grants to the Agency. Payments to consultants and contractors are closely coordinated with claims to state and federal funding sources to assure prompt reimbursement to the Agency. The Agency pays claims submitted by its local jurisdictions in a timely manner, so that local agencies have prompt access to their funds held in trust by the Transportation Agency for Monterey County. The Agency continues to receive planning and project grants (most recently for the Monterey to Salinas Highway 68 Corridor Study and the Pacific Grove Highway 68 study) to meet its operational goals and objectives.

Continuing to secure new revenue sources to meet existing and increasing transportation needs remains an activity which the Agency actively engages in. The Transportation Agency for Monterey County continues to work with the California Transportation Commission, Caltrans and the U.S. Congress to secure sufficient funding to construct its top six priority projects: Highway 156 widening/improvements, US 101 South County Frontage Roads, Local Street and Road Maintenance, Salinas Rail Extension – Phases 2 - 5, the Monterey Branch Line light rail and bus replacements.

The countywide traffic impact fee will provide additional funding for future regional roadway projects. However, additional federal stimulus funds, earmarks or state bond funds are likely to be unavailable for future projects, leaving the county dependent on regional and local fees, state and federal gasoline taxes and related funding. Tolling is also being explored as a funding option in the Highway 156 corridor. The Agency is also exploring the potential for raising a local transportation sales tax and becoming a self-help county to assist in stabilizing revenues available for transportation projects.

Additionally, there is an uncertainty related to the unresolved contractor claims for the Salinas Road Interchange. Caltrans is working with DeSilva Gates, the Salinas Road Interchange contractor, to resolve outstanding claims, but resolution may not occur until 2016. Caltrans went through an internal Board of Review claims resolution process but did not reach agreement with the contractor. DeSilva Gates Construction filed for arbitration on June 1, 2015 with the Office of Administrative Hearings Public Works Contract Arbitration Program State of California. The amount of the complaint is for $851,648.81. The claims must next go through the arbitration process. The Agency is responsible for covering any costs on the project above the funding already allocated to the project. Repayment would most likely come from the State Transportation Improvement Program (STIP) or from the Regional Surface Transportation Program (RSTP).

Finally, the Caltrans incurred cost audit, dated January 15, 2014, identified $9,460,292 in reimbursed costs that "were not adequately supported and in compliance with respective Agreement provisions, and State and federal regulations." These funds were utilized to prepare project management, environmental and design work for the Rail to Salinas project, as well as construction management for the Beach Range Road and Carmel Hill

Trail projects. Staff worked with Caltrans to address the audit recommendations by preparing for Board adoption several new policies, procedures and contract templates, and expanding its staff training program. Staff also negotiated with Caltrans to establish a repayment amount (substantially less than the unsupported audit amount) of $821,858.90, for the State funds, which is a new liability to be paid back over a ten year period. In addition, in January 2015, the Agency also repaid $29,786 of federal funds identified in the audit. The Board of Directors authorized the use of the Agency's unassigned reserve funds for both these repayments. In response to the audit, the Agency adopted an *Audit Action Plan*, and has prepared several items documenting agency policies, including: Financial and Accounting Manual, Contract Templates, updated RSTP implementation policies and grantee agency contract.

More Information

Anyone seeking clarification, having questions, or desiring more information about the topics discussed in this Management's Discussion and Analysis is requested to contact the Transportation Agency for Monterey County office at: info@tamcmonterey.org or by calling 831-775-0903. You may also access the Agency website at www.tamcmonterey.org to view copies of the fiscal and performance audits and budgets.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATEMENT OF NET POSITION
June 30, 2015

		Governmental Activities
ASSETS		
Cash and investments	$	9,642,255
Receivables		1,043,085
Capital assets:		
Nondepreciable		11,399,039
Depreciable - net		684,195
Total assets		22,768,574
DEFERRED OUTFLOWS OF RESOURCES		
Pensions		123,283
Total deferred outflows of resources		123,283
LIABILITIES		
Accounts payable		616,944
Accrued expenses		63,463
Unearned revenue		29,243
Noncurrent liabilities		
Due in more than one year		1,738,826
Total liabilities		2,448,476
DEFERRED INFLOWS OF RESOURCES		
Pensions		244,228
Total deferred inflows of resources		244,228
NET POSITION		
Net investment in capital assets		12,083,234
Restricted:		
SAFE		1,396,082
Freeway Service Patrol		484,923
Unrestricted		6,234,914
Total net position	$	20,199,153

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

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

		Program Revenues		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
Transportation	$ 4,320,876	$ -	$ 4,118,735	$ -
Total governmental activities	$ 4,320,876	$ -	$ 4,118,735	$ -

General Revenues
Investment income
Lease revenue

Total general revenues

Change in net position

Net position, beginning of fiscal year

Prior period adjustment

Net position, beginning of fiscal year, restated

Net position, end of fiscal year

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

Net (Expense) Revenue and Changes in Net Position
$ (202,141)
(202,141)
43,297
300,812
344,109
141,968
20,880,115
(822,930)
20,057,185
$ 20,199,153

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
GOVERNMENTAL FUND
BALANCE SHEET
June 30, 2015

	General Fund
Assets	
Cash and investments	$ 9,642,255
Accounts receivable	1,043,085
Total assets	$ 10,685,340
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	$ 616,944
Accrued expenditures	63,463
Unearned revenue	29,243
Total liabilities	709,650
Fund Balance	
Restricted:	
SAFE	1,396,082
Freeway Service Patrol	484,923
Committed:	
OPEB	85,219
CalTrans reimbursement agreement	821,859
Assigned:	
Commuter rail leases	83,154
Railroad leases	1,253,346
OPEB	23,103
Capital replacement	114,586
Unassigned	5,713,418
Total fund balance	9,975,690
Total liabilities and fund balance	$ 10,685,340

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

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
RECONCILIATION OF THE GOVERNMENTAL
FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015

Total Fund Balance - Governmental Fund			$	9,975,690
Amounts reported for governmental activities in the statement of net position are different because:				
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.				
Capital assets at historical cost	$	12,381,559		
Accumulated depreciation		(298,325)		
Net				12,083,234
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:				
Compensated absences		175,107		
Reimbursement agreement		821,859		
OPEB obligation		108,327		
Net pension liability		633,533		
				(1,738,826)
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.				
Deferred inflows of resources relating to pensions		(244,228)		
Deferred outflows of resources relating to pensions		123,283		
				(120,945)
Total Net Position - Governmental Activities			$	20,199,153

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, 2015

	General Fund
Revenues:	
Federal Revenues:	
Federal Planning (PL)	$ 65,000
SR 156 Project Management	45,539
INVEST Grant 101	266
	110,805
State Revenues:	
TCRP	418,921
Freeway Service Patrol	228,607
SAFE	357,918
Rural Planning Assistance	394,750
Planning, Programming and Monitoring	328,452
RSTPI & RSTPP	412,780
Local Transportation Fund	918,852
Prop 116 Rail Bond	199,558
Caltrans PIP and FSP PIP	78,586
San Juan Road Outreach	69,948
Multi Modal Corridor	93,426
PTA Coast Daylight	8,449
	3,510,247
Local Revenues:	
CMP	243,076
Interest	43,297
Lease revenue - MBL Row and Commuter Rail	300,812
RDIF	198,337
Air MBUAPCD	23,840
Miscellaneous	424
Roundabout Public Outreach	30,175
Multi modal Corridor - FOR A	1,831
	841,792
Total revenues	4,462,844
Expenditures:	
Salaries and wages	1,171,178
Fringe benefits	437,141
Total personnel	1,608,319
Services and supplies	349,673
Total operating expenditures	1,957,992
Direct programs	1,529,300
Total expenditures	3,487,292
Excess (deficiency) of revenues over expenditures	975,552
Fund balance, beginning of fiscal year	9,000,138
Fund balance, end of fiscal year	$ 9,975,690

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

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Net change in fund balance - governmental fund	$	975,552
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which the depreciation expense of $45,383 is more than the additions to capital assets of $0 in the period.		(45,383)
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation earned was more than the amount used by $13,560.		(13,560)
In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This fiscal year, the difference between OPEB costs and actual employer contribution was:		(21,234)
In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be paid with current financial resources. This year a reimbursement agreement with Caltrans was entered into for $821,859.		(821,859)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		68,452
Change in net position - governmental activities	$	141,968

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, 2015

	Private Purpose Trust Funds			
	Local Transportation Fund	State Transit Assistance Fund	State Highway Account Fund	Totals
ASSETS				
Cash and investments	$ 2,185,139	$ 562	$ 5,055,095	$ 7,240,796
Accounts receivable	2,588,400	616,419	4,386,479	7,591,298
Total assets	4,773,539	616,981	9,441,574	14,832,094
LIABILITIES				
Liabilities:				
Due to other agencies	1,023,289		67,113	1,090,402
Total liabilities	1,023,289		67,113	1,090,402
NET POSITION				
Unrestricted	3,750,250	616,981	9,374,461	13,741,692
Total net position	$ 3,750,250	$ 616,981	$ 9,374,461	$ 13,741,692

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, 2015

	Private Purpose Trust Funds			
	Local Transportation Fund	State Transit Assistance Fund	State Highway Account Fund	Totals
Additions:				
Sales tax	$ 16,193,785	$ 2,479,549	$ -	$ 18,673,334
State Highway Account funds			4,386,404	4,386,404
Interest and loss recovery	14,085	664	34,978	49,727
Total additions	16,207,870	2,480,213	4,421,382	23,109,465
Deductions:				
Claims paid to:				
Greenfield	2,157		907	3,064
Monterey			86,199	86,199
Salinas			16,785	16,785
Seaside			656,709	656,709
County of Monterey	140,406		76,951	217,357
TAMC	918,852		104,333	1,023,185
Caltrans			2,234,375	2,234,375
Monterey - Salinas Transit	14,936,412	1,863,282	1,295,275	18,094,969
Total deductions	15,997,827	1,863,282	4,471,534	22,332,643
Change in net position	210,043	616,931	(50,152)	776,822
Net position - beginning of fiscal year	3,540,207	50	9,424,613	12,964,870
Net position - end of fiscal year	$ 3,750,250	$ 616,981	$ 9,374,461	$ 13,741,692

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The transportation planning process for Monterey County is performed by staff of the Transportation Agency for Monterey County (TAMC). The Agency operates in cooperation with the Association of Monterey Bay Area Governments to support the regional transportation planning process.

California Assembly Bill 1886, authorized changes in the Monterey County Transportation Agency membership as of January 1, 1993. The Agency was reorganized at that time as the Transportation Agency for Monterey County (TAMC), and now encompasses the Congestion Management Agency, the Local Transportation Agency, the Regional Transportation Planning Agency, and the Service Authority for Freeways and Expressways.

A. The Reporting Entity

The Agency is comprised of five members of the Monterey County Board of Supervisors and one member appointed from each incorporated city within Monterey County. Accordingly, these financial statements present only the activities of the Transportation Agency for Monterey County and are not intended to present fairly the financial position and results of operations of the County of Monterey in conformity with accounting principles generally accepted in the United States of America.

The Cities and County of Monterey approve annual allocations under the Transportation Development Act (TDA), Section 99400 (a) to support the planning process. The Agency also receives TDA funds for administration under Section 99233.1. In addition, the Cities and County contribute funds to support the Congestion Management Program. The Agency also receives funding from various other governmental agencies to support the transportation planning process.

The reporting entity is the Transportation Agency for Monterey County. There are no component units included in this report which meets the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* as amended by GASB Statements No. 39 and No. 61.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Government-wide Financial Statements (Continued):

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Agency's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The Agency does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Agency, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Agency.

Fund Financial Statements:

Fund financial statements report detailed information about the Agency. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases, (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Agency, "available" means collectible within the current period or within 60 days after fiscal year-end.

Non-exchange transactions, in which the Agency receives value without directly giving equal value in return, include property taxes, and grants. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the Agency must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Agency on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Expenses/expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first then unrestricted resources as they are needed.

E. Fund Accounting

The accounts of the Agency are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operating of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures/expenses. The Agency's resources are allocated to and accounted for in individual funds based upon the purpose for which they are being spent and the means by which spending activities are controlled. The Agency's accounts are organized into major and fiduciary funds, as follows:

Major Governmental Fund:

General Fund– The operating fund of the Agency. It is used to account for all financial resources except those required to be account for in another fund.

Fiduciary Funds:

Trust funds are used to separately account for assets held by the Transportation Agency for Monterey County in a trustee capacity. Trust funds are mandated by legislature or by contract terms. TAMC exercises oversight responsibility for the following trust funds.

Local Transportation Fund (LTF)
State Transit Assistance Fund (STA)
State Highway Account Fund (SHA)

F. Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the major funds. All annual appropriations lapse at fiscal year end.

G. Cash and Investments

The Agency holds its cash in the County of Monterey Treasury. The County maintains a cash and investment pool, and allocates interest to the various funds based upon the average monthly cash balances. Investments are stated at fair value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets are defined by the Agency as assets with an initial, individual cost of more than $5,000 and estimated useful life in excess of two years.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the governmental column in the government-wide financial statements. Depreciation is charged as an expense against operations and the capital assets, net of accumulated depreciation, is reported on the statement of net position. The estimated useful lives are as follows:

Equipment	3 to 7 years
Buildings and improvements	10 to 20 years

I. Unearned Revenue

Cash is received for federal and state special projects and programs and recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

J. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the Agency recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The Agency has one item which qualify for reporting in this category; refer to Note 6 for a detailed listing of the deferred outflows of resources the Agency has reported.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Agency that is applicable to a future reporting period. The Agency has one item which qualify for reporting in this category; refer to Note 6 for a detailed listing of the deferred inflows of resources the Agency has reported.

K. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

L. Compensated Absences

All vacation pay plus related payroll taxes is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Accumulated employee sick leave benefits are not recognized as liabilities of the Agency. The Agency's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance Reserves and Designations

Reservations of the ending fund balance indicate the portions of fund balance not appropriable for expenditure or amounts legally segregated for a specific future use.

Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

O. Fund Balances

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the Agency's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the Agency intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Agency.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the Agency considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Agency considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

<u>Minimum Fund Balance</u>
The Agency holds a six month fund balance reserve for general operations within the unassigned fund balance in the general fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 68

For the fiscal year ended June 30, 2015, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions." This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" as well as the requirements of GASB Statement No. 50, "Pension Disclosures." This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. Implementation of the GASB Statement No. 68 and the impact on the Agency's financial statements are explained in Note 6- Pension Plans and Note 9-Prior Period Adjustment.

Governmental Accounting Standards Board Statement No. 71

For the fiscal year ended June 30, 2015, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. Implementation of the GASB Statement No. 71 and the impact on the Agency's financial statements are explained in Note 6- Pension Plans and Note 9-Prior Period Adjustment.

NOTE 2 - CASH AND INVESTMENTS

The Agency maintains all of its cash in the County of Monterey Treasury. The County Treasurer pools and invests the Agency's cash with other funds under her control. Interest earned on pooled investments is apportioned quarterly into participating funds based upon each fund's average daily deposit balance. Any investment gains or losses are proportionately shared by all funds in the pool.

On June 30, 2015 the Agency had the following cash and investments on hand:

Cash and investments with County Treasurer	$ 16,516,665
Petty cash	200
Cash in bank	366,186
Total cash and investments	$ 16,883,051

Cash and investments listed above are presented on the accompanying basic financial statements as follows:

Cash and investments, statement of net position	$ 9,642,255
Cash and investments, statement of fiduciary net position	7,240,796
Total cash and investments	$ 16,883,051

Investments Authorized by the Agency's Investment Policy

The Agency's investment policy only authorizes investment in the local government investment pool administered by the County of Monterey. The Agency's investment policy does not contain any specific provisions intended to limit the Agency's exposure to interest rate risk, credit risk, and concentration of credit risk.

NOTE 2 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity:

		Remaining Maturity (in Months)			
Investment Type	Carrying Amount	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
County of Monterey Treasury Pool	$ 16,516,665	$ 16,516,665	$ -	$ -	$ -
Total	$ 16,516,665	$ 16,516,665	$ -	$ -	$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by the California Government Code and the Agency's investment policy, and the actual rating as of fiscal year end for each investment type.

				Rating as of Fiscal Year End		
Investment Type	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	AAA	AA	Not Rated
County of Monterey Treasury Pool	$ 16,516,665	N/A	$ -	$ -	$ -	$ 16,516,665
Total	$ 16,516,665		$ -	$ -	$ -	$ 16,516,665

Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total Agency's investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

NOTE 2 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

As of June 30, 2015, none of the Agency's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as County of Monterey Treasury Investment Pool).

Investment in County of Monterey Treasury Investment Pool

The Agency is a participant in the County of Monterey Treasury Investment Pool that is regulated by the California Government Code. The fair value of the Agency's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the Agency's pro-rata share of the fair value provided by the County of Monterey Treasury Investment Pool for the entire County of Monterey Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County of Monterey Treasury Investment Pool, which are recorded on an amortized cost basis.

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets, not being depreciated				
Right of Way	$ 11,399,039	$ -	$ -	$ 11,399,039
Total capital assets, not being depreciated	$ 11,399,039	$ -	$ -	$ 11,399,039
Capital assets, being depreciated				
Building	$ 712,414	$ -	$ -	$ 712,414
Leasehold improvements	24,293			24,293
Equipment	267,924		22,111	245,813
Total capital assets, being depreciated	1,004,631		22,111	982,520
Less accumulated depreciation	275,053	45,383	22,111	298,325
Total capital assets, being depreciated, net	$ 729,578	$ (45,383)	$ -	$ 684,195
Governmental activities, capital assets, net	$ 12,128,617	$ (45,383)	$ -	$ 12,083,234

NOTE 4 – LONG-TERM DEBT

Changes in long-term liabilities

The following is a summary of long-term liability activity for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Increases	Decreases	Prior-period Adjustment	Balance June 30, 2015	Due within One Year
Compensated absences	$ 161,547	$ 102,197	$ 88,637	$ -	$ 175,107	$ -
Reimbursement agreement		821,859			821,859	
OPEB	87,093	25,572	4,338		108,327	
Net pension liability		211,934	533,684	955,283	633,533	
Total	$ 248,640	$ 1,161,562	$ 626,659	$ 955,283	$ 1,738,826	$ -

NOTE 5 – CALTRANS REIMBURSEMENT AGREEMENT

Effective June 30, 2015, TAMC entered into a reimbursement agreement with Caltrans as a settlement agreement to reimburse Caltrans for a total of $821,859 as a result of a Caltrans audit of amendments to contracts for the Rail to Salinas Extension project work. TAMC shall pay, without interest, 10 equal payments by November 30 annually beginning November 30, 2016. As of June 30, 2015, the remaining balance of the agreement is $821,859.

NOTE 6 – PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Agency's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statue and Agency resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7%	6.250%
Required employer contribution rates	12.292%	6.250%

NOTE 6 – PENSION PLAN (Continued)

A. General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the Authority were $123,283 for the fiscal year ended June 30, 2015.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2015, the Agency reported a liability of $633,533 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2014, the Authority's proportion was 0.01018%, which was unchanged from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Agency recognized pension expense of $54,831. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2015, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on retirement plan investments	-	208,762
Changes in proportion and differences between District contributions and proportionate share of contributions	-	35,466
District contributions subsequent to the measurement date	123,283	-
	$ 123,283	$ 244,228

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

$123,283 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Fiscal Year Ending June 30,	Amount
2016	$ (64,856)
2017	(64,856)
2018	(62,324)
2019	(52,192)
	$ (244,228)

NOTE 6 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.5% Net Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies; 2.75% thereafter

(1) The mortality table used was developed based on CalPERs' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the 2014 experience study report.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly high Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB No. 67 and No. 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class.

NOTE 6 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits were calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% was used for this period.
(b) An expected inflation of 3.0% was used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following represents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1- percentage point higher (8.5 percent) than the current rate:

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
District's proportionate share of the net pension plan liability	$ 1,134,106	$ 633,533	$ 218,105

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to Pension Plan

At June 30, 2015, the Agency had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2015.

NOTE 7 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Agency provides post-retirement medical benefits, in accordance with State statutes, to all employees retiring from the Agency and enrolled in an insurance program under the California Public Employees' Medical and Hospital Care Act (PEMHCA). The CalPERS PEMHCA Plan is a defined contribution, multiple employer, healthcare plan providing benefits to active and retired employees. The healthcare plan is administered by the California Public Employees Retirement Agency. Copies of the CalPERS annual financial report may be obtained from the Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

As required by the GASB Statement No. 45, an actuary will determine the Agency's Annual Required Contributions (ARC) at least once every three fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years.

The GASB Statement No. 45, does not require pre-funding of OPEB benefits. Therefore, the Agency's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The Agency has elected not to establish an irrevocable trust at this time.

As a PEMHCA employer, TAMC has selected the equal contribution method, where it contributes exactly the same amount for retirees as contributed toward active employee medical plan coverage. TAMC currently pays the minimum employer contribution (MEC), $122 in 2015, for both active and retired employees. TAMC continues to pay this portion of the premium for eligible survivors of retired employees. During fiscal year 2014-2015, expenditures of $4,338 were recognized for post-retirement health insurance contributions on a pay as you go basis.

The Agency is required to record the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of the GASB Statement No.45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The current ARC rate is 2.0 percent of annual covered payroll.

Annual OPEB Cost

For fiscal year 2014-2015, the Agency's annual OPEB cost (expense) of $25,572 was equal to the ARC plus additional interest and adjustments. The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is, as follows:

Fiscal Year Ended	Annual OPEB Cost	OPEB Cost Contributed	% of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	$ 22,687	$ 3,750	16.5%	$ 67,207
June 30, 2014	$ 24,098	$ 4,212	17.5%	$ 87,093
June 30, 2015	$ 25,572	$ 4,338	17.0%	$ 108,327

NOTE 7 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Annual OPEB Cost (continued)

The following table shows the components of the Agency's annual OPEB cost for the current fiscal year, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation for the post-employment healthcare benefits:

Annual required contributions	$	26,029
Interest on Net OPEB Obligation/(Asset)		3,445
Adjustment to the ARC		(3,902)
Annual OPEB cost (expense)		25,572
Contributions made		4,338
Increase/(decrease) in net OPEB obligation		21,234
Net OPEB obligation, beginning of fiscal year		87,093
Net OPEB obligation, end of fiscal year	$	108,327

Funded Status and Funding Progress

The Funded status of the plan as of July 1, 2012, is as follows:

Actuarial accrued liability (AAL)	$	202,958
Actuarial value of plan assets		
Unfunded actuarial accrued liability (UAAL)		202,958
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)		1,164,628
UAAL as a percentage of covered payroll		17.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012, actuarial valuation, the level percentage of payroll method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 4.5 percent. The actuarial value of plan assets was not calculated in this, the first actuarial valuation, as there are no assets to value. The Plan unfunded actuarial accrued liability is being amortized over a 30-year amortization period.

The Agency did not pre-fund retiree healthcare costs nor did the Agency establish an irrevocable trust for retiree healthcare costs. The Agency did establish a committed fund balance in the amount of $85,219 and an assigned fund balance of $23,103. However, because the assets are not in an irrevocable trust, the $108,322 cannot be used to reduce the actuarial accrued liability shown above. The decision not to use an irrevocable trust was made because of the current national and state economic issues and the possibility that the funds may be required to provide current services.

NOTE 8 – NET POSITION

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is *net investment in capital assets* consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. *Restricted net position* is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. *Unrestricted net position* consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

NOTE 9 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of $(822,930) was made which affects the statement of net position. The prior period adjustment was to record net pension liability of $(955,283) and deferred pension outflow of resources of $132,353, due to the implementation of GASB Statements No. 68 and No. 71.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues:				
Federal Revenues:				
Federal Planning (PL)	$ 65,000	$ 65,000	$ 65,000	$ -
SR 156 Project Management	265,000	265,000	45,539	(219,461)
INVEST Grant 101	12,500	12,500	266	(12,234)
Hiway 68 Corridor Study-PG		51,867		(51,867)
	342,500	394,367	110,805	(283,562)
State Revenues:				
TCRP	5,535,000	5,535,000	418,921	(5,116,079)
Freeway Service Patrol	240,392	240,392	228,607	(11,785)
SAFE	340,000	340,000	357,918	17,918
Rural Planning Assistance	422,000	474,552	394,750	(79,802)
Planning, Programming and Monitoring	355,000	355,000	328,452	(26,548)
RSTPI & RSTPP	766,000	766,000	412,780	(353,220)
Local Transportation Fund	935,985	935,985	918,852	(17,133)
Prop 116 Rail Bond	320,000	320,000	199,558	(120,442)
Caltrans PIP and FSP PIP	122,376	122,376	78,586	(43,790)
San Juan Road Outreach and FSP	70,733	70,733	69,948	(785)
Multi Modal Corridor	68,025	68,025	93,426	25,401
PTA Coast Daylight			8,449	8,449
	9,175,511	9,228,063	3,510,247	(5,717,816)
Local Revenues:				
CMP	243,076	243,076	243,076	
Interest			43,297	43,297
Lease revenue - MBL Row and Commuter Rail	210,000	210,000	300,812	90,812
VTA	445,000	445,000		(445,000)
RDIF	10,000	10,000	198,337	188,337
Air MBUAPCD			23,840	23,840
Miscellaneous			424	424
Roundabout Public Outreach	9,148	9,148	30,175	21,027
Multi modal Corridor - FOR A	6,349	6,349	1,831	(4,518)
	923,573	923,573	841,792	(81,781)
Total revenues	10,441,584	10,546,003	4,462,844	(6,083,159)

continued

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Expenditures:				
Salaries and wages	$ 1,396,173	$ 1,409,578	$ 1,171,178	$ 238,400
Fringe benefits	575,271	575,271	437,141	138,130
Total personnel	1,971,444	1,984,849	1,608,319	376,530
Services and supplies	491,840	491,840	349,673	142,167
Total operating expenditures	2,463,284	2,476,689	1,957,992	518,697
Direct Programs:				
Unallowable			29,786	(29,786)
Triennial Audit			21,383	(21,383)
Legislative Advocacy	35,000	35,000	32,546	2,454
Public Involvement	150,000	150,000	78,394	71,606
511 Travel Plan	60,000	60,000		60,000
Freeway Service Patrol (FSP)	192,000	192,000	182,801	9,199
Call Boxes (SAFE)	260,000	260,000	89,072	170,928
Rideshare			756	(756)
Data Collection	65,000	65,000	11,605	53,395
Electric Vehicle Chargers			702	(702)
Bike and pedestrian planning		44,552		44,552
Tri-County Bike Week	27,500	27,500	10,368	17,132
RTIP & EIR Update			2,003	(2,003)
RDIF Agency	10,000	10,000		10,000
Project Management	80,000	80,000		80,000
Roundabouts Outreach			10,834	(10,834)
SR 156 West Project Management	75,000	75,000	99,029	(24,029)
Complete Streets-Project Management	588,800	588,800	343,214	245,586
Corridor Studies			2,583	(2,583)
FSP-PIP	37,500	37,500		37,500
San Juan Road-FSP	23,000	23,000		23,000
Marina-Salinas Multimodal Corridor	53,500	53,500	113,138	(59,638)
Hiway 68 Corridor Study _PG		46,462	145	46,317
Commuter Rail	6,200,000	6,200,000	448,617	5,751,383
Branch Line Maintenance	94,842	94,842	124	94,718
Rail and FORA property	45,158	45,158	47,591	(2,433)
Commuter Rail Leases			4,396	(4,396)
Coast Daylight			213	(213)
Total Direct Programs	7,997,300	8,088,314	1,529,300	6,559,014
Total expenditures	10,460,584	10,565,003	3,487,292	7,077,711
Excess (deficiency) of revenues over expenditures	(19,000)	(19,000)	975,552	994,552
Fund balance, beginning of fiscal year	9,000,138	9,000,138	9,000,138	
Fund balance, end of fiscal year	$ 8,981,138	$ 8,981,138	$ 9,975,690	$ 994,552

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF FUNDING PROGRESS FOR POST EMPLOYMENT BENEFITS
OTHER THAN PENSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The following table provides required supplementary information regarding the Agency's post employment healthcare benefits.

SCHEDULE OF FUNDING PROGRESS

Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability (AAL)	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
July 1, 2009	$ -	$ 120,494	$ 120,494	0.0%	$ 1,139,000	10.6%
July 1, 2012	$ -	$ 202,958	$ 202,958	0.0%	$ 1,164,628	17.4%

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years*
As of June 30, 2015

The following table provides required supplementary information regarding the Agency's Pension Plan.

		2015
Proportion of the net pension liability		0.01018%
Proportionate share of the net pension liability	$	633,533
Covered-employee payroll	$	1,109,838
Proportionate share of the net pension liability as percentage of covered-employee payroll		57.08%
Plan's total pension liability	$	13,110,948,452
Plan's fiduciary net position	$	10,639,461,174
Plan fiduciary net position as a percentage of the total pension liability		81.15%

Notes to Schedule:
Changes in assumptions - In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF CONTRIBUTIONS
Last 10 Years*
As of June 30, 2015

The following table provides required supplementary information regarding the Agency's Pension Plan.

		2015
Contractually required contribution (actuarially determined)	$	122,283
Contribution in relation to the actuarially determined contributions		122,283
Contribution deficiency (excess)	$	-
Covered- employee payroll	$	1,112,701
Contributions as a percentage of covered-employee payroll		10.99%

Notes to Schedule

Valuation Date:	6/30/2013
Methods and assumptions used to determine contribution rates:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.5% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERs' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the 2014 experience study report.

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

COMPLIANCE SECTION

Moss, Levy & Hartzheim LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON
TRANSPORTATION DEVELOPMENT ACT COMPLIANCE

Board of Directors
Transportation Agency for Monterey County
Salinas, California

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Transportation Agency of Monterey County' (the Agency) compliance with the types of compliance requirements described in the *Transportation Development Act Guidebook,* published by the State of California Department of Transportation applicable for the fiscal year ended June 30, 2015.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Transportation Development Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Agency's compliance based on our audit of the compliance with applicable statutes, rules and regulations of the Transportation Development Act (TDA), Sections 99233.1 and 99234, the California Code of Regulations (CCR), and the allocation instructions and resolutions of Transportation Agency of Monterey County as required by Section 6662 and 6666 of the CCR. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Transportation Development Act Guidebook.* Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state laws and regulations applicable to the Fund occurred. An audit includes examining, on a test basis, evidence about the Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Compliance with the Transportation Development Act

In our opinion, the funds allocated to and received by Transportation Agency of Monterey County pursuant to the TDA, complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements of the Transportation Development Act and the allocation instructions and resolutions of Transportation Agency of Monterey County for the fiscal year ended June 30, 2015.

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

Moss, Levy & Hartzheim LLP

Santa Maria, California
December 16, 2015

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com
BEVERLY HILLS · CULVER CITY · SANTA MARIA

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF FEDERAL HIGHWAY ADMINISTRATION FUNDS
REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Federal Planning (PL)	$ 65,000	$ 65,000	$
Total revenues	65,000	65,000	
Expenditures:			
1120 Planning coordination	17,000	17,000	
6722 Multi-modial corridor	48,000	48,000	
Total expenditures	65,000	65,000	
Excess (deficit) of revenues over expenditures	$ -		$ -
Federal Planning carryover, beginning of fiscal year			
Federal Planning carryover, end of fiscal year		$ -	

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS (SAFE) FUNDS
REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
SAFE	$ 340,000	$ 357,918	$ 17,918
Loss recovery			
Total revenues	340,000	357,918	17,918
Expenditures:			
Salaries/Fringe/Materials and services	25,000	27,461	(2,461)
Direct programs	165,098	89,072	76,026
FSP match	60,098	57,152	2,946
511 support	25,000	1,532	23,468
Electric vehicle chargers		9,226	(9,226)
Prunedale improvement project		5,762	(5,762)
Rideshare	75,000	21,041	53,959
FSP other		1,190	(1,190)
Total expenditures	350,196	212,436	137,760
Excess (deficit) of revenues over expenditures	$ (10,196)	145,482	$ 155,678
SAFE carryover, beginning of fiscal year		1,250,600	
SAFE carryover, end of fiscal year		$ 1,396,082	

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF STATE AND REGIONAL PLANNING ASSISTANCE FUNDS
REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

		Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Rural planning assistance		$ 474,552	$ 394,750	$ (79,802)
Total revenues		474,552	394,750	(79,802)
Expenditures:				
1010	Work program administration	102,000	83,393	18,607
1120	Planning coordination	105,000	105,000	
4110	Document review	35,000	11,544	23,456
6140	Bicycle/Pedestrian planning	98,552	81,489	17,063
6220	Regional transportation plan	51,000	51,000	
6410	Regional trans imp plan (RTIP)	35,000	35,000	
6710	Corridor studies	40,000	20,329	19,671
6724	Hiway 68 corridor study_pg	8,000	6,995	1,005
Total expenditures		474,552	394,750	79,802
Excess (deficit) of revenues over expenditures		$ -		$ -
State and regional planning assistance carryover, beginning of fiscal year				
State and regional planning assistance carryover, end of fiscal year			$ -	

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF PLANNING, PROGRAMMING AND MONITORING FUNDS
REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

		Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Planning, Programming and Monitoring		$ 282,800	$ 328,452	$ 45,652
Total revenues		282,800	328,452	45,652
Expenditures:				
1120	Planning coordination	9,274	28,896	(19,622)
1130	Public involvement program	30,000	60,238	(30,238)
2310	Data collection		2,656	(2,656)
2510	Regional travel model planning		1,281	(1,281)
6140	Bicycle/Pedestrian planning	1,000		1,000
6220	Regional transportation plan		30,171	(30,171)
6410	Regional trans imp plan (RTIP)		21,276	(21,276)
6500	Project development	104,800	142,664	(37,864)
6720	San Juan Road project	12,000		12,000
6722	Multi-modal corridor		11,077	(11,077)
6800	Rail planning		30,193	(30,193)
6803	Commuter rail	125,726		125,726
Total expenditures		282,800	328,452	(45,652)
Excess (deficit) of revenues over expenditures		$ -		$ -
Planning, Programming and Monitoring carryover, beginning of fiscal year			-	
Planning, Programming and Monitoring carryover, end of fiscal year			$ -	

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF FREEWAY SERVICE PATROL
REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Freeway service patrol	$ 240,392	$ 228,607	$ (11,785)
Local match (SAFE)	60,098	57,152 *	(2,946)
Additional SAFE		1,188	1,188
Total revenues	300,490	286,947	(13,543)
Expenditures:			
Salaries/Fringe/Materials & Supplies	25,000	36,165	(11,165)
Direct programs	192,000	182,801	9,199
Total expenditures	217,000	218,966	(1,966)
Excess (deficit) of revenues over expenditures	$ 83,490	67,981	$ (15,509)
Freeway service patrol carryover, beginning of fiscal year		416,942	
Freeway service patrol carryover, end of fiscal year		$ 484,923	

* The Agency is required to provide a local match of 20% of eligible costs and 25% of total grant received. The Agency has met this requirement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF EXPENDITURES BY WORK ELEMENT
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Work Element:		Budget	Actual	Variance Favorable (Unfavorable)
1010	Work program administration operating	$ 122,141	$ 87,774	$ 34,367
1020	LTF administration operating	63,940	62,319	1,621
1020	LTF Direct		21,383	(21,383)
1120	Planning coordination & Interagency liaison operating	157,025	170,628	(13,603)
1122	Legislative advocacy operating	5,000	57,481	(52,481)
1122	Legislative advocacy direct	35,000	32,546	2,454
1130	Public involvement program operating	63,451	121,315	(57,864)
1130	Public involvement program direct	150,000	78,394	71,606
1750	Traveler info system feasibility plan operating	113,096	1,533	111,563
1750	Traveler info system feasibility plan direct	60,000		60,000
1770	Freeway Service Patrol operating	51,708	34,603	17,105
1770	Freeway Service Patrol direct	192,000	182,801	9,199
1780	SAFE operating	49,513	27,461	22,052
1780	SAFE direct	260,000	89,072	170,928
1790	Rideshare operating	107,803	20,285	87,518
1790	Ridesharing direct		756	(756)
2310	Data collection operating	12,308	7,447	4,861
2310	Data collection direct	65,000	11,605	53,395
2510	Regional transportation model operating	6,857	2,399	4,458
4110	Document review operating	60,076	12,609	47,467
4150	Electric vehicle charger operating	3,553	8,524	(4,971)
4150	Electric vehicle charger direct		702	(702)
6140	Bicycle/Pedestrian planning operating	104,355	85,208	19,147
6148	Tri-County bike week operating	6,155	16,720	(10,565)
6148	Tri-County bike week direct	27,500	10,368	17,132
6149	Bicycle Facilities Map operating		5,983	(5,983)
6220	Regional transportation plan operating	56,417	84,614	(28,197)
6220	Regional transportation plan direct		2,003	(2,003)
6262	RDIF Agency operating	20,759	35,325	(14,566)
6262	RDIF Agency direct	10,000		10,000
6410	Regional trans imp plan (RTIP) operating	45,301	63,211	(17,910)
6500	Project development operating	129,801	179,426	(49,625)
6500	Project development direct	80,000		80,000
6501	Roundabout Outreach-operating	37,976	46,947	(8,971)
6501	Roundabout Outreach-direct		10,834	(10,834)
6502	SR 156 West Project Mgmt operating	150,001	144,822	5,179
6502	SR 156 West Project Mgmt-direct	75,000	99,029	(24,029)
6550	Complete St Project Implemenation operating	72,199	59,804	12,395
6550	Complete St Project Implemenation-Direct	588,800	343,214	245,586
6710	Corridor studies operating	99,957	21,685	78,272
6710	Corridor studies direct		2,583	(2,583)
6715	Prunedale improvement operating	85,116	84,349	767
6719	PIP - FSP operating	9,618	1,079	8,539
6719	PIP - FSP direct	37,500		37,500
6720	San Juan Road Outreach operating	79,334	73,367	5,967
6721	San Juan Road Outreach-operating	2,760	483	2,277
6721	San Juan Road-FSP Direct	23,000		23,000
6722	Multi-modal Corridor operating	92,814	71,259	21,555
6722	Multi-modal Corridor direct	53,500	113,138	(59,638)
6723	INVEST-101 operating	13,598	541	13,057
6724	Hiway 68 Corridor Study_PG-Oper	13,405	7,474	5,931
6724	Hiway 68 Corridor Study_PG-Direct	38,462	145	38,317
6800	Railroad operating	27,139	72,085	(44,946)
6803	Commuter rail operating	430,282	181,086	249,196
6803	Commuter rail direct	6,200,000	448,617	5,751,383
6804	Railroad leases operating	126,605	52,537	74,068
6804	Railroad leases direct	94,842	124	94,718
6805	Railroad Fort Ord property operating	45,577	9,209	36,368
6805	Railroad Fort Ord property direct	45,158	47,591	(2,433)
6806	Mtry Branch line alternative analysis operating	2,714	578	2,136
6807	Commuter rails lease operating	8,335	4,747	3,588
6807	Commuter rails lease direct		4,396	(4,396)
6808	Coast Daylight operating		8,567	(8,567)
6808	Coast Daylight direct		214	(214)
0000	Unallowable-operating		30,524	(30,524)
0000	Unallowable-Direct		29,786	(29,786)
911	Admin overhead operating		1,983	(1,983)
	Total expenditures by work element	$ 10,512,451	$ 3,487,292	$ 7,025,159

	Pedestrian and Bicycle Sec. 99234	Public Transportation Other Sec. 99260 (a)	Special Transportation Sects. 99260.7, 99400 (c)	Streets and Roads Sec. 99400(a)
Administration	$ -	$ -	$ -	$ -
Monterey County and Unincorporated Area	269,830	3,498,323		
Cities:				
Carmel		118,417		
Del Rey Oaks		51,695		
Gonzales		260,234		
Greenfield		524,766		
King City		410,082		
Marina		478,237		
Monterey		886,226		
Pacific Grove		439,936		
Salinas		4,806,143		
Sand		10,603		
Seaside		1,044,951		
Soledad		501,647		
Allocations	$ 269,830	$ 13,031,260	$ -	$ -

References are to Code Sections of the Public Utilities Code, Chapter 4, Transportation Development Act.

Regional Transportation Planning Sec. 99231.1	Total Allocations
$ 908,485	$ 908,485
	3,768,153
	118,417
	51,695
	260,234
	524,766
	410,082
	478,237
	886,226
	439,936
	4,806,143
	10,603
	1,044,951
	501,647
$ 908,485	$ 14,209,575

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
LOCAL TRANSPORTATION FUND
SCHEDULE OF CLAIMS BY PURPOSE
Fiscal Year Ended June 30, 2015

	Pedestrian and Bicycle Sec. 99234	Public Transportation Other Sec. 99260 (a)	Special Transportation Sects. 99260.7, 99400 (c)	Streets and Roads Sec. 99400 (a)
Administration	$ 10,368	$ -	$ -	$ -
Monterey County and Unincorporated Area	140,406	3,950,820		
Cities:				
Carmel		130,780		
Del Rey Oaks		58,376		
Gonzales		293,958		
Greenfield		593,206		2,157
King City		463,264		
Marina		710,694		
Monterey		995,724		
Pacific Grove		541,036		
Salinas		5,441,201		
Sand		12,080		
Seaside		1,176,244		
Soledad		569,029		
Claims	$ 150,774	$ 14,936,412	$ -	$ 2,157

References are to Code Sections of the Public Utilities Code, Chapter 4, Transportation Development Act.

Regional Transportation Planning Sec. 99233.1	Total Claims Paid
$ 908,484	$ 918,852
	4,091,226
	130,780
	58,376
	293,958
	595,363
	463,264
	710,694
	995,724
	541,036
	5,441,201
	12,080
	1,176,244
	569,029
$ 908,484	$ 15,997,827

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATE TRANSIT ASSISTANCE FUND
SCHEDULE OF AMOUNTS ALLOCATED AND DISBURSED BY PURPOSE
Fiscal Year Ended June 30, 2015

	Monterey-Salinas Transit Sects. 6730(b) 6730(a) 6731(c) Operating, Capital	City of Greenfield Sects. 6730(a) 6730(b) Capital	City of Gonzales Sec. 6730(b) Capital	City of Soledad Sec. 6730(b) Capital	City of King Sec. 6730(b) Capital	Total
Allocations	$ 2,432,997	$ -	$ -	$ -	$ -	$ 2,432,997
Disbursements:						
2014-15 Claims	$ 1,863,282	$ -	$ -	$ -	$ -	$ 1,863,282
Total disbursements	$ 1,863,282	$ -	$ -	$ -	$ -	1,863,282