TRANSPORTATION AGENCY FOR MONTEREY COUNTY

FINANCIAL STATEMENTS
June 30, 2017

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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, 2017, 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, 2017, 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.

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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 3-13, the budgetary comparison information on pages 39 and 40, the schedule of funding progress for the post employment benefits other than pensions on page 41, the schedule of proportionate share of net pension liability on page 42, and the schedule of pension contributions on page 43, 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 Agency'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 January 8, 2018, 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
January 8, 2018

Management's Discussion and Analysis

Overview of the Transportation Agency and Audited Finances
for Fiscal Year Ending June 30, 2017

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 89% of the Agency's funding comes from state and federal grants. Local funding is primarily from member agency contributions, lease revenues and Measure X.

Work Program Highlights

During fiscal year (FY) 2016/2017, the Transportation Agency for Monterey County undertook a wide variety of programs focused on regional transportation planning, funding, project delivery, and programs 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.

Planning

The Agency conducted 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. After a successful public outreach program to increase awareness of Monterey County transportation needs and funding shortfalls to meet those needs, the Agency engaged community leaders to create a "Transportation Safety and Investment Plan". Outreach was conducted throughout the county to obtain input from a wide variety of stakeholders, including environmental justice areas, via the development of the Transportation Safety and Investment plan. The project list and funding from this plan was integrated into the Regional Transportation Plan, which will be presented for final environmental review and adoption in 2018. Additionally, the Agency is coordinating with AMBAG on the 2040 Sustainable Communities Strategies update, including participation in regular team meetings, and completed updating the project lists and financial assumptions. Staff has also participated in a workshop on the proposed updates to the Regional Transportation Plan guidelines.

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 Monterey Downs FEIR and the Carmel Rio Road Project 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, utilized for planning purposes throughout the Monterey Bay region.

In 2015, the Agency secured a Caltrans Sustainable Planning Grant to conduct a corridor study of Highway 68 between Salinas and Monterey, the SR 68 Scenic Highway Plan. The Agency brought on a consultant team to conduct the technical work of the study, and 2016 saw the collection of travel data and wildlife crossing data, development of a local travel demand model for the corridor, and public outreach for the project with an interactive online forum. Work on this study continued through the spring and summer of 2017 with the development of three corridor concepts, a second round of public outreach to receive comments on the concepts, and finally the drafting of the recommended plan. The plan is expected to be completed in August 2017.

The Agency continued planning efforts to improve the safety of bicyclists and pedestrians in Monterey County. These activities included: initiation of a countywide Active Transportation Plan, which is an update of the 2011 Bicycle and Pedestrian Master Plan; initiation of a League of American Cyclists-based bicycle safety education program aimed at increasing the pool of educated, local bike advocates; the publication of a new Monterey County bike map, and the distribution of and responses to Bicycle Facilities Service Request Forms. The Agency dedicated Transportation Development Act funds for an annual Bike Month education and promotional effort over a three-year funding cycle, to be conducted in coordination with the Bicycle and Pedestrian Advisory Committee. 2016 Bike Month activities included the Salinas Criterium, Monterey Free Helmet Giveaway day, Salinas Community Ride, Bike Safety training, and Bike to School week events at several elementary schools. The Transportation Agency also contracted with Safe Moves to conduct youth bicycle safety trainings at local Monterey County schools.

The Transportation Agency completed a Caltrans-funded planning study on the State Route 68 Corridor in Pacific Grove to identify safety improvements for motorists, bicyclists and pedestrians. The effort involved substantial community outreach and coordination between the City of Pacific Grove, Caltrans and TAMC. The final report was adopted by the Transportation Agency Board and Pacific Grove City Council in September and October of 2016.

In June 2015, the Agency adopted the Marina-Salinas Multimodal Corridor Plan, which includes conceptual roadway designs to accommodate high-quality transit service and regional bicycle travel in addition to improve traffic flow and pedestrian safety. The plan is a culmination of input from many partner agencies, stakeholders and members of the community along the corridor. Staff has nearly finalized the approval of a memorandum of understanding by all the land use agencies along the corridor to confirm their approval of the plan concept for future uses.

<u>Funding</u>

In 2016/17, the Transportation Agency continued to reach out to the public to raise awareness about the need to increase investment in the transportation system to improve safety and reduce traffic congestion on area roadways. This effort included community meetings, city council appearances, presentations, news releases, news conferences, editorials, and the distribution of the Transportation Agency's Annual Report. The Agency also continues to broadcast its board meetings on Access Monterey Peninsula and the TAMC website.

The afore-mentioned Transportation Safety and Investment Plan identified $600 million in transportation safety and mobility projects to be funded from a 3/8% sales tax measure, known as Measure X. Measure X was approved by voters in November 2016 and the Transportation Safety and Investment Plan is now a key part of the financial element and project list in the update of the long-range Regional Transportation Plan. Measure X provides funding for local road and street maintenance (60% of revenues) and regional transportation improvements (40% of revenues - 7 projects, 4 programs).

In keeping with the Agency's commitment to the voters for accountability and transparency, the Transportation Agency launched a Measure X Newsletter and a Keep Monterey County Moving television program. Subscribers to the electronic Measure X newsletter will be able to find out the latest on pothole and road repairs happening in their neighborhoods, updates on safety projects and even weigh in to determine where money should be spent first on Measure X projects. The Keep Monterey County Moving television program is a monthly program focused on transportation issues that affect everyday life in Monterey County. The program can be viewed on Access Monterey Channel 27 or on the TAMC website and TAMC YouTube channel.

The Agency continued to work with state and federal legislators on transportation funding issues. Agency staff monitored legislation, updated and promoted the state and federal legislative programs, prepared and updated the state legislative bill list. The Agency is pursuing a bill this legislative session to return any income from the sale of property originally acquired for the Prunedale Bypass project to the Transportation

Agency to fund highway improvements in the US 101 highway corridor. The Agency is also playing a key role supporting a bill to enable rail systems to extend beyond their statutory boundaries. TAMC provided input on the development of Senate Bill 1, which provided substantial new funding for transportation to Caltrans, cities, counties and regional transportation agencies. Since SB 1's approval in April 2017, the Agency has disseminated information to its member agencies on the SB 1 funding estimates and reporting requirements, and has monitored and provided input on the funding program rules and regulations.

The Agency is actively investigating alternative funding sources, including a tolling option, to construct the Highway 156 West Corridor Project. 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. The traffic and modeling analysis for the study has been completed and the final results of the study are expected to be completed in the fall of 2017. 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.

Agency staff also finalized a coordinated work effort with the Fort Ord Reuse Authority (FORA) to update that agency's community facilities district fees. The effort reevaluated the projects listed in the FORA Capital Improvement Program as compared to forecast roadway deficiencies in the latest Regional Travel Demand model, and proposed a revised distribution of fee revenues, after seeking input from the affected cities and the County of Monterey. Agency staff presented the results and received approval of the final report from both the Transportation Agency and Fort Ord Reuse Authority Board of Directors. As FORA considers its transition to a new phase or a final sunset, Agency staff have been coordinating with FORA to provide information on the potential for a transition of the regional and offsite project impact fees into the Regional Development Impact Fee, to improve funding for those projects.

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, holding public hearings regarding unmet transit needs, and compiling a list of unmet transit needs. While all funding is being allocated to transit, the unmet transit needs process serves as a public input tool for MST's short and long-term transit service planning and improvements.

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.

The Agency continues to coordinate with the Central Coast Coalition to pursue funding and provide input on funding programs to support needed freight improvements along US 101 and SR 156.

Project Delivery

The Agency has been working with Caltrans to ensure the progress of state highway projects in a timely manner, most notably the Holman Highway 68 Roundabout project. The Transportation Agency took the lead on an expanded public outreach strategy during construction of this high-profile project. The Holman Highway 68 Roundabout is the first highway-to-highway roundabout in Monterey County and notable for its proximity to the regional hospital, entrance to Pebble Beach, and entry into the cities of Monterey and Pacific Grove. Outreach activities during construction included: a project webpage, weekly construction update e-newsletter, community presentations, development of educational videos, text message alerts about the project, a live camera at the site. Regular updates about all road construction projects throughout the county continued to be published in the weekly "TAMC Cone Zone" publication that is sent to community members, the media, and published on the TAMC website and social media platforms. The project began construction in the summer of 2016 and is expected to be completed by late summer 2017.

Agency staff continued work on the Salinas Rail Extension, coordinating with the Capitol Corridor Joint Powers Authority and the State of California to implement a state-only funded "Kick-Start" project of service to Salinas. The project includes improvements at Salinas and Gilroy in the near term, and construction of stations at Pajaro/ Watsonville and Castroville when additional funding can be secured. The Agency continued to make progress with the acquisition of parcels in Salinas. The Agency also continued work on the final design of the Kick-Start project and coordinated meetings with partner agencies on operation of service.

Throughout the period, Agency staff assisted member agencies with project development. TAMC worked with the Monterey County Public Works Department and Caltrans on project development coordination for the Highway 1 Truck Climbing Lane project in Carmel, scheduled to start construction in September of 2017. The Agency also coordinated with the County and reached agreement to integrate the planned improvements at Corral De Tierra intersection at Route 68 into the SR 68 Scenic Corridor plan. Staff also assisted the City of Marina with project development coordination for traffic signal improvements at the Highway 1/Imjin Road Interchange that were installed in the summer of 2017, and for preliminary design to widen Imjin Road and construct several roundabouts between Imjin Parkway and Reservation Road, a Measure X project planned for construction in the spring of 2019.

TAMC is the implementing agency for the Via Salinas Valley project, funded with Active Transportation Program funds. This project provides bicycle and pedestrian improvements in five Salinas Valley cities. TAMC staff has assisted the cities in meeting State requirements for the improvements, and supported the County Health Department's ATP grant application for additional bicycle safety education funding. The projects started construction in July 2016 and are expected to be completed by August 2017.

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. The Agency completed the installation of seven charging stations funded by a Regional Air District grant, at locations including the County of Monterey, City of Watsonville, City of Soledad, and Corbin Motorcycles in Hollister.

Program Operations & Right-of-Way Management

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. Partnering with the local Highway Patrol office, the Agency continued to hold localized quarterly training for tow truck operators. In Spring of 2017, the Agency secured new contracts for service for fiscal years 2017-2021.

The Agency continued to administer the Monterey County call box motorist assistance program, including renewal, management and monitoring the contract with and performance of the call center. The agency also managed a call box maintenance contract, which includes site improvements for call box accessibility. During this fiscal year, staff conducted a call box efficiency study and the Board adopted a modernization program to remove call boxes from underutilized corridors and install call boxes along corridors lacking cell phone service.

TAMC began initial stakeholder outreach to implement the Monterey Bay Area 511 Traveler Information program as well as the Monterey County Rideshare Program. The Agency researched best practices and released a request for proposal for a software platform that will make it easier for drivers in Monterey County to find alternatives to driving alone and provide travel data to be used for analysis and future planning.

Agency staff worked with various parties to assure that their requests for easements did not reduce the viability of future transit service along the Monterey Branch Line right-of-way. Staff had branch line easement discussions with: The City of Marina regarding potential encroachments by the Del Monte Boulevard and Beach Road roundabouts; California American Water regarding the location of a water pipeline linear easement; the City of Sand City regarding an easement for an extension of California Avenue and shared parking near Contra Costa Street; and California State Parks regarding crossing of balloon spur for the Fort Ord Dunes State Park Campground project. The Agency also performed routine maintenance and managed leases on the Monterey Branch Line right-of-way.

Financial Highlights

Net position of the Agency increased from $20,677,913 on June 30, 2016, to $25,785,291 on June 30, 2017. The Agency has an unassigned fund balance of $8,723,339 as of June 30, 2017. However, $3,235,000 of the net position and unassigned fund balance are being held in deposits for acquiring properties for the Salinas Rail Extension project. The Agency requires the maintenance of unassigned fund balance equal to six months of operating expenditures. Of the $8,723,339 in unassigned fund balance, $1,456,957 is reserved for six months of cash flow for the operating budget for FY 2017/2018.

Transportation Agency for Monterey County Revenues and Expenditures

The Agency revenues during FY 2016/2017 were $12,494,145, consisting primarily of $11,295,846 in state funds. Other revenues included $364,682 in federal funds and $833,617 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 $ 2,114,233 in operating expenditures, and $6,544,125 in direct program costs. An additional $3,235,000 is being held in deposits for acquiring properties for the Salinas Rail Extension project.

Direct program activities are described above in the Work Program Highlights section. The major portion of the direct program costs were $180,990 for Freeway Service Patrol, $92,583 for Call Boxes (SAFE),$24,327 for Data Collection, $35,271 for FORA Fee Study, $74,763 for Public Outreach, $166,609 for SR 156 West Project Management, $41,282 for Complete Streets Project Management, $25,000 for RTIP/EIR update, $173,422 for Highway 68 Salinas to Monterey Study, $3,452,883 for Via Salinas Valley, $147,127 for Coast Daylight and $1,837,010 in Rail Program expenditures for Salinas Rail Extension activities. An additional $3,235,000 is being held in deposits for acquiring properties for the Salinas Rail Extension project.

The Agency operating expenses of $2,114,233 included 83.0% for personnel costs and the remainder for materials, services, and equipment purchases. The operating expenses in FY 2016/2017 were 20.0% less than the previous fiscal year. This was primarily due to the payment of $550,842 towards the unfunded pension liability that was paid in the prior fiscal year. However, for reimbursement purposes, Caltrans requires the Agency to book the expense of the unfunded liability over a 5-year period ($110,168/year). For presentation in these financial statements, the full $550,842 was expended in the prior fiscal year.

Overall Financial Position

The overall financial position of the Agency increased during FY 2016/2017, with the total fund balance increasing from $ 9,801,587 to $13,637,374. Federal Planning funds decreased from $395,262 to $364,682 and Planning, Programming and Monitoring funds increased from $213,000 to $231,000. The funding sources for the Agency's operating program include Federal Planning Funds, State Rural Planning Assistance, Planning, Programming and Monitoring funds, Local Transportation Funds, State support for the tow truck program and the call boxes, local contributions to regional transportation planning activities, Federal, State and local grants and local Transportation and Safety Investment Plan. 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 2016/2017, 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.

The Agency has implemented Governmental Accounting Standard 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. 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 net position (or equity). At June 30, 2017, the Agency reported a liability of $333,720 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016.

The Agency has also implemented Governmental Accounting Standard Board (GASB) Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. This statement was 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, 2016, to June 30, 2017 the reserves for the call box program increased, from $ 1,561,382 to $ 1,635,957. The reserves for the Freeway Service Patrol tow truck program increased from $553,818 to $627,298. Designations for capital replacement remained unchanged at $114,586. The unassigned fund balance increased from $5,135,845 to $8,723,399. However, $3,235,000 of the unassigned balance is being held in deposits for acquiring properties for the Salinas Rail Extension project.

The Agency trust fund net position increased by a total of $2,021,380 during FY 2016/2017, as the local member agencies claims for previously-obligated funds were less than the revenue received and due to the Agency setting-up a new trust fund for Measure X revenues and expenditures. This resulted in the following net position as of June 30, 2017:

♦ Local Transportation Fund	$ 3,077,547
♦ State Transit Assistance Fund	$ 91
♦ Regional Surface Transportation Program	$10,924,554
♦ Transportation Safety & Investment Plan (Measure X)	$ 1,608,061
TOTAL TRUST FUNDS	$15,610,253

Budget Variances

The Agency's actual operating expenditures for FY 2016/2017 were below the budgeted expenditures by $502,505. Direct program expenditures were $8,281,670 less than budgeted due to less than anticipated activity on certain projects, primarily for the Salinas Rail Extension project. However, an additional $3,235,000 is being held in deposits for acquiring properties for the Salinas Rail Extension project.

Long-term debt of the 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 total balance on June 30, 2017 of $1,360,647.

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 ineligible for reimbursement. For example, the Association of Monterey Bay Area Governments reduced the amount of Federal Highway Planning Funds provided to the Agency over time from approximately $280,000 in past years to $0 in FY 2015/16, FY16/17 and FY17/18.

There also has been a significant reduction in STIP Planning, Programming and Monitoring funding for operations as the funding in the STIP continues to be reduced; in fact, the California Transportation Commission deleted $9.6 million in funding for projects in Monterey County in March 2016. The Agency is working to reduce discretionary expenses should these decreases in operations and planning funding be permanent, and has an adequate reserve to cover a temporary decrease in PPM 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 shift in revenues is also somewhat mitigated by the passage of Measure X, which allows 1% of revenues to be charged to staff time for administration activities, and allows project management time to be charged to regional projects and programs. In addition, the Agency continues be successful in receiving state/federal planning grants to meet its operational goals and objectives, including recent grants for work on the SR 68 Monterey to Salinas Scenic Highway Corridor Study and the Pacific Grove Highway 68 study. In 2017, the Agency received two new planning grants for the SR 218 and Pajaro to Prunedale corridor studies.

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, the State Legislature and the U.S. Congress to secure sufficient funding to construct its priority projects, with emphasis on Measure X projects and the Salinas Rail Extension.

As noted above, new funding initiatives undertaken this past year included: passage of Measure X's 3/8% transportation sales tax; exploration of tolling and public-private financing as a funding option in the Highway 156 corridor; support for SB 1 and review and comment on the implementation of its funding programs; and, introduction of AB 696 (Caballero), which would return the proceeds from the sale of the former US 101 Prunedale Bypass right-of-way to the Agency for improvements along the US 101 highway corridor. The countywide traffic impact fee will provide additional funding for future regional roadway projects, but at a reduced rate than expected due to slower than projected land use development. The prospects for new federal transportation funding are uncertain; there is still discussion about an infrastructure funding package but as of yet there are no concrete proposals.

Last year's uncertainty related to unresolved contractor claims associated with the construction of the Salinas Road Interchange has been addressed with funding to be absorbed by the state. However, there is still an outstanding claim against the US 101 Prunedale Improvement Project that would be shared with Caltrans, and could result in a liability of up to $450,000 to the Agency's future STIP funds.

During the period, the Agency made its second payment to the State of California towards the audit-related liability of $821,858.90. This liability will be paid back with no interest over a ten-year period out of unassigned reserve funds, as approved by the Board of Directors. In early 2016, the Agency completed its *Audit Action Plan*, and finalized all of the remaining documents in that plan. To assure compliance with changing state and federal requirements, the Agency conducts ongoing training of staff and updates to its procurement and other policies.

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, 2017

	Governmental Activities
ASSETS	
Cash and investments	$ 4,500,018
Receivables	9,508,857
Deposit	3,235,000
Prepaid expenditures	9,599
Capital assets:	
Nondepreciable	11,643,097
Depreciable - net	1,578,286
Total assets	30,474,857
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	730,133
Total deferred outflows of resources	730,133
LIABILITIES	
Accounts payable	3,565,423
Accrued expenses	35,051
Unearned revenue	15,626
Reimbursement agreement - due in one year	82,186
Noncurrent liabilities	
Due in more than one year	1,278,461
Total liabilities	4,976,747
DEFERRED INFLOWS OF RESOURCES	
Pensions	442,952
Total deferred inflows of resources	442,952
NET POSITION	
Net investment in capital assets	13,221,383
Restricted:	
SAFE	1,635,957
Freeway Service Patrol	627,298
Unrestricted	10,300,653
Total net position	$ 25,785,291

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

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TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017

		Program Revenues		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
Transportation	$ 7,386,767	$ -	$ 12,122,470	$ -
Total governmental activities	$ 7,386,767	$ -	$ 12,122,470	$ -

General Revenues
Investment income
Lease revenue

Total general revenues

Change in net position

Net position, beginning of fiscal year

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
$ 4,735,703
4,735,703
90,358
281,317
371,675
5,107,378
20,677,913
$ 25,785,291

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
GOVERNMENTAL FUND
BALANCE SHEET
June 30, 2017

	General Fund
Assets	
Cash and investments	$ 4,500,018
Accounts receivable	9,508,857
Deposit	3,235,000
Prepaid expenditures	9,599
Total assets	$ 17,253,474
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	$ 3,565,423
Accrued expenditures	35,051
Unearned revenue	15,626
Total liabilities	3,616,100
Fund Balance	
Nonspendable	
Prepaid expenditures	9,599
Restricted:	
SAFE	1,635,957
Freeway Service Patrol	627,298
Committed:	
OPEB	85,219
CalTrans reimbursement agreement	657,487
Assigned:	
Commuter rail leases	112,448
Railroad leases	1,581,352
OPEB	90,089
Capital replacement	114,586
Unassigned	8,723,339
Total fund balance	13,637,374
Total liabilities and fund balance	$ 17,253,474

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, 2017

Total Fund Balance - Governmental Fund			$	13,637,374
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	$	13,623,198		
Accumulated depreciation		(401,815)		
Net				13,221,383
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	$	194,132		
Reimbursement agreement		657,487		
OPEB obligation		175,308		
Net pension liability		333,720		
				(1,360,647)
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	$	(442,952)		
Deferred outflows of resources relating to pensions		730,133		
				287,181
Total Net Position - Governmental Activities			$	25,785,291

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, 2017

	General Fund
Revenues:	
Federal Revenues:	
SR 156 Project Management	$ 204,321
INVEST Grant 101	2,231
Hiway 68 Corridor Study - Salinas Grant	148,760
Hiway 68 Corridor Study - PG Grant	9,370
	364,682
State Revenues:	
TCRP	5,296,221
Freeway Service Patrol	236,057
SAFE	380,954
Rural Planning Assistance	473,979
Planning, Programming and Monitoring	231,000
RSTPI & RSTPP	147,279
Local Transportation Fund	933,696
Prop 116 Rail Bond	492
Active Transportation Program	3,452,883
PTA Coast Daylight	143,285
	11,295,846
Local Revenues:	
CMP	243,076
Interest	90,358
Lease revenue - MBL Row and Commuter Rail	281,317
RDIF	10,000
Miscellaneous	256
Measure X - Pavement Management	27,299
Measure X - Materials and Services	15,456
Measure X - Administration	95,853
FOR A - Fee Update	70,002
	833,617
Total revenues	12,494,145
Expenditures:	
Salaries and wages	1,280,674
Fringe benefits	466,657
Total personnel	1,747,331
Services and supplies	366,902
Total operating expenditures	2,114,233
Direct programs	6,544,125
Total expenditures	8,658,358
Excess (deficiency) of revenues over expenditures	3,835,787
Fund balance, beginning of fiscal year	9,801,587
Fund balance, end of fiscal year	$ 13,637,374

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, 2017

Net change in fund balance - governmental fund	$	3,835,787
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 additions to capital assets of $1,241,639 is more than the depreciation expense of $58,858 in the period.		1,182,781
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 used was more than the amount earned by $7,353.		7,353
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:		(33,117)
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities.		82,186
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:		32,388
Change in net position - governmental activities	$	5,107,378

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, 2017

	Private Purpose Trust Funds				
	Local Transportation Fund	State Transit Assistance Fund	State Highway Account Fund	Transportation Safety and Investment Plan Account Fund	Totals
ASSETS					
Cash and investments	$ 1,630,001	$ 91	$ 11,216,180	$ 771,169	$ 13,617,441
Accounts receivable	2,495,000	484,859		3,455,900	6,435,759
Total assets	4,125,001	484,950	11,216,180	4,227,069	20,053,200
LIABILITIES					
Liabilities:					
Due to other agencies	1,047,454	484,859	291,626	2,619,008	4,442,947
Total liabilities	1,047,454		291,626	2,619,008	4,442,947
NET POSITION					
Unrestricted	3,077,547	91	10,924,554	1,608,061	15,610,253
Total net position	$ 3,077,547	$ 91	$ 10,924,554	$ 1,608,061	$ 15,610,253

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, 2017

	Private Purpose Trust Funds				
	Local Transportation Fund	State Transit Assistance Fund	State Highway Account Fund	Transportation Safety and Investment Plan Account Fund	Totals
Additions:					
Sales tax	$ 16,587,316	$ 2,193,707	$ -	$ 4,932,375	$ 23,713,39[illegible]
State Highway Account funds			4,520,460		4,520,460
Interest,loss recovery and other fees	26,236	500	110,512	9,967	147,21[illegible]
Total additions	16,613,552	2,194,207	4,630,972	4,942,342	28,381,07[illegible]
Deductions:					
Claims paid to:					
Carmel				29,507	29,507
Del Rey Oaks				10,753	10,753
Greenfield	512,338		427,258	64,265	1,003,86[illegible]
King City				58,514	58,514
Marina			55,200	101,025	156,225
Monterey			1,783,763	154,788	1,938,551
Pacific Grove			105,000	84,020	189,020
Salinas			1,024,362	639,656	1,664,018
Sand City				4,251	4,251
Seaside	128,727		168,584	151,787	449,098
Soledad				85,771	85,771
County of Monterey	73,103			1,086,264	1,159,367
TAMC					
Administration	908,484			95,853	1,004,337
Materials, services and project costs	25,212		147,279	42,755	215,246
Monterey - Salinas Transit	15,471,817	2,194,285			17,666,10[illegible]
County of Monterey election costs				715,272	715,272
Other				9,800	9,800
Total deductions	17,119,681	2,194,285	3,711,446	3,334,281	26,359,693
Change in net position	(506,129)	(78)	919,526	1,608,061	2,021,380
Net position - beginning of fiscal year	3,583,676	169	10,005,028		13,588,873
Net position - end of fiscal year	$ 3,077,547	$ 91	$ 10,924,554	$ 1,608,061	$ 15,610,253

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, No. 61, and No. 80.

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.

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)
Transportation Safety and Investment Plan Account Fund (Measure X)

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 qualifies 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 qualifies 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. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 75	"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 81	"Irrevocable Split-Interest Agreements"	The provisions of this statement are effective for fiscal years beginning after December 15, 2016.
Statement No. 82	"Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 83	"Certain Asset Retirement Obligations"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2018.
Statement No. 85	"Omnibus 2017"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 86	"Certain Debt Extinguishment Issues"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

NOTE 2 - CASH AND INVESTMENTS

The Agency maintains most 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, 2017 the Agency had the following cash and investments on hand:

Cash and investments with County Treasurer	$ 18,178,973
Petty cash	200
Cash in bank	(61,714)
Total cash and investments	$ 18,117,459

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

Cash and investments, statement of net position	$ 4,500,018
Cash and investments, statement of fiduciary net position	13,617,441
Total cash and investments	$ 18,117,459

NOTE 2 - CASH AND INVESTMENTS (Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the Monterey County Investment Pool, however, this external pool is not measured under Level 1, 2 or 3.

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.

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	$ 18,178,973	$ 18,178,973	$ -	$ -	$ -
Total	$ 18,178,973	$ 18,178,973	$ -	$ -	$ -

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	$ 18,178,973	N/A	$ -	$ -	$ -	$ 18,178,973
Total	$ 18,178,973		$ -	$ -	$ -	$ 18,178,973

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.

NOTE 2 - CASH AND INVESTMENTS (Continued)

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.

As of June 30, 2017, 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

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets, not being depreciated				
Right of Way	$ 11,399,039	$ 244,058	$ -	$ 11,643,097
Total capital assets, not being depreciated	$ 11,399,039	$ 244,058	$ -	$ 11,643,097
Capital assets, being depreciated				
Building	$ 712,414	$ 980,577	$ -	$ 1,692,991
Leasehold improvements	24,293			24,293
Equipment	245,813	17,004		262,817
Total capital assets, being depreciated	982,520	997,581		1,980,101
Less accumulated depreciation	342,957	58,858		401,815
Total capital assets, being depreciated, net	$ 639,563	$ 938,723	$ -	$ 1,578,286
Governmental activities, capital assets, net	$ 12,038,602	$ 1,182,781	$ -	$ 13,221,383

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, 2017:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Due within One Year
Compensated absences	$ 201,485	$ 186,853	$ 194,206	$ 194,132	$ -
Reimbursement agreement	739,673		82,186	657,487	82,186
OPEB	142,191	39,180	6,063	175,308	
Net pension liability	608,384	388,438	663,102	333,720	
Total	$ 1,691,733	$ 614,471	$ 945,557	$ 1,360,647	$ 82,186

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, 2015. As of June 30, 2017, the remaining balance of the agreement is $657,487.

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, 2017, 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	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	6.250%
Required employer contribution rates	8.880%	6.555% + $10

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 $106,082 for the fiscal year ended June 30, 2017.

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

At June 30, 2017, the Agency reported a liability of $333,720 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the Authority's proportion was 0.00961%, which decreased by 0.01350% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Agency recognized pension expense of $73,694. 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, 2017, 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	$ 4,433	$ 1,016
Changes in assumptions		41,944
Net difference between projected and actual earnings on retirement plan investments	218,303	
Changes in proportion	11,187	399,992
Differences between acutal contributions and proportionate share of contributions	390,128	
Agency contributions subsequent to the measurement date	106,082	
	$ 730,133	$ 442,952

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.

$106,082 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, 2018.

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

Fiscal Year Ending June 30,	Amount
2018	$ 7,323
2019	19,989
2020	97,245
2021	56,542
	$ 181,099

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, 2015 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.50%
Mortality	Derived using CalPERS' Membership Data for all Funds (1)

(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 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), 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 the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB No. 68 section.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be 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	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	-0.55%	-1.05%
Total	100.0%		

(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 7.65 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 (6.65 percent) or 1- percentage point higher (8.65 percent) than the current rate:

	1% Decrease 6.65%.	Discount Rate 7.65%	1% Increase 8.65%
Agency's proportionate share of the net pension plan liability	$ 922,197	$ 333,720	$ (152,628)

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, 2017, the Agency had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2017.

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 the same amount for retirees as contributed toward active employee medical plan coverage. TAMC currently pays the minimum employer contribution (MEC), $128 in 2017, for both active and retired employees. TAMC continues to pay this portion of the premium for eligible survivors of retired employees. During the fiscal year ended June 30, 2017, expenditures of $6,063 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 ended June 30, 2017, the Agency's annual OPEB cost (expense) of $39,180 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, 2015	$ 25,572	$ 4,338	17.0%	$ 108,327
June 30, 2016	$ 39,783	$ 5,919	14.9%	$ 142,191
June 30, 2017	$ 39,180	$ 6,063	15.5%	$ 175,308

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	$	41,715
Interest on Net OPEB Obligation/(Asset)		5,688
Adjustment to the ARC		(8,223)
Annual OPEB cost (expense)		39,180
Contributions made		6,063
Increase/(decrease) in net OPEB obligation		33,117
Net OPEB obligation, beginning of fiscal year		142,191
Net OPEB obligation, end of fiscal year	$	175,308

Funded Status and Funding Progress

The Funded status of the plan as of July 1, 2015, is as follows:

Actuarial accrued liability (AAL)	$	278,385
Actuarial value of plan assets		
Unfunded actuarial accrued liability (UAAL)		278,385
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)		1,112,701
UAAL as a percentage of covered payroll		25.0%

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, 2015, 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 4.0 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 $90,089. However, because the assets are not in an irrevocable trust, the $175,308 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 – CONTENGENCIES

According to Agency's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

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, 2017

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues:				
Federal Revenues:				
SR 156 Project Management	$ 400,000	$ 400,000	$ 204,321	$ (195,679)
INVEST Grant 101			2,231	2,231
Hiway 68 Corridor Study-Salinas	125,000	125,000	148,760	23,760
Hiway 68 Corridor Study-PG			9,370	9,370
	525,000	525,000	364,682	(160,318)
State Revenues:				
TCRP	11,000,000	11,000,000	5,296,221	(5,703,779)
Freeway Service Patrol	228,607	228,607	236,057	7,450
SAFE	340,000	340,000	380,954	40,954
Rural Planning Assistance	422,000	488,329	473,979	(14,350)
Planning, Programming and Monitoring	231,000	231,000	231,000	
RSTPI & RSTPP	732,200	732,200	147,279	(584,921)
Local Transportation Fund	935,985	935,985	933,696	(2,289)
Prop 116 Rail Bond	1,660,000	1,660,000	492	(1,659,508)
Active Transportation Program			3,452,883	3,452,883
PTA Coast Daylight	39,520	39,520	143,285	103,765
	15,589,312	15,655,641	11,295,846	(4,359,795)
Local Revenues:				
CMP	243,076	243,076	243,076	
Interest			90,358	90,358
Lease revenue - MBL Row and Commuter Rail	162,500	162,500	281,317	118,817
RDIF	129,000	129,000	10,000	(119,000)
City of Monterey- Roundabout Outreach	48,306	48,306		(48,306)
Miscellaneous			256	256
Measure X - Pavement Management			27,299	27,299
Measure X - Materials and Services			15,456	15,456
Measure X - Administration			95,853	95,853
FOR A - Fee Update	15,000	15,000	70,002	55,002
	597,882	597,882	833,617	235,735
Total revenues	16,712,194	16,778,523	12,494,145	(4,284,378)

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures:				
Salaries and wages	$ 1,478,644	$ 1,478,644	$ 1,280,674	$ 197,970
Fringe benefits	633,052	633,052	466,657	166,395
Total personnel	2,111,696	2,111,696	1,747,331	364,365
Services and supplies	505,042	505,042	366,902	138,140
Total operating expenditures	2,616,738	2,616,738	2,114,233	502,505
Direct Programs:				
0000 Unallowable	82,186	82,186	82,186	
1020 Triennial Audit	35,000	35,000	34,965	35
1122 Legislative Advocacy	35,000	35,000	25,255	9,745
1130 Public Involvement	450,000	450,000	74,763	375,237
1750 511 Travel Plan	60,000	60,000		60,000
1770 Freeway Service Patrol (FSP)	192,000	192,000	180,990	11,010
1780 Call Boxes (SAFE)	144,917	144,917	92,583	52,334
1790 Rideshare	27,000	27,000	5,051	21,949
2310 Data Collection	25,000	25,000	24,328	672
4150 Electric Vehicle Chargers			1,700	(1,700)
6148 Tri-County Bike Week	27,500	27,500	25,212	2,288
6220 RTIP & EIR Update	25,000	25,000	25,000	
6262 RDIF Agency	10,000	10,000	2,285	7,715
6264 FORA Fee Study			35,271	(35,271)
6500 Project Management	10,000	10,000	9,785	215
6501 Roundabouts Outreach	6,172	6,172	3,017	3,155
6502 SR 156 West Project Mgmt	294,000	294,000	166,609	127,391
6550 Complete Streets-Project Mgmt	505,000	505,000	41,282	463,718
6551 VIA Salinas Valley			3,452,883	(3,452,883)
6724 Hiway 68 Corridor Study_PG			11,311	(11,311)
6725 Hiway 68 Salinas to Monterey	100,000	100,000	173,422	(73,422)
6800 Rail Program			1,500	(1,500)
6803 Commuter Rail	12,535,000	12,535,000	1,837,010	10,697,990
6804 Branch Line Maintenance	25,000	25,000	4,740	20,260
6805 Rail and FORA property	17,000	17,000	7,671	9,329
6806 Rail-Monterey Branch Line	65,000	65,000	23,721	41,279
6807 Commuter Rail Leases	5,500	5,500	38,657	(33,157)
6808 Coast Daylight	149,520	149,520	147,127	2,393
7000 Pavement Management			345	(345)
8010 Measure X-Materials and Services			15,456	(15,456)
Total Direct Programs	14,825,795	14,825,795	6,544,125	8,281,670
Total expenditures	17,442,533	17,442,533	8,658,358	8,784,175
Excess (deficiency) of revenues over expenditures	(730,339)	(664,010)	3,835,787	4,499,797
Fund balance, beginning of fiscal year	9,801,587	9,801,587	9,801,587	
Fund balance, end of fiscal year	$ 9,071,248	$ 9,137,577	$ 13,637,374	$ 4,499,797

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF FUNDING PROGRESS FOR POST EMPLOYMENT BENEFITS
OTHER THAN PENSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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%
July 1, 2015	$ -	$ 278,385	$ 278,385	0.0%	$ 1,112,701	25.0%

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years*
As of June 30, 2017

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

	2017	2016	2015
Proportion of the net pension liability	0.00386%	0.00886%	0.01018%
Proportionate share of the net pension liability	$ 333,720	$ 608,384	$ 633,533
Covered-employee payroll	$ 1,271,193	$ 1,112,701	$ 1,109,838
Proportionate share of the net pension liability as percentage of covered-employee payroll	26.25%	54.68%	57.08%
Plan's total pension liability	$ 33,358,627,624	$ 31,771,217,402	$ 30,829,966,631
Plan's fiduciary net position	$ 24,705,532,291	$ 24,907,305,871	$ 24,607,502,515
Plan fiduciary net position as a percentage of the total pension liability	74.06%	78.40%	79.82%

*- Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Years*
As of June 30, 2017

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

	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 106,082	$ 129,283	$ 122,283
Contribution in relation to the actuarially determined contributions	(106,082)	(680,125)	(122,283)
Contribution deficiency (excess)	$ -	$ (550,842)	$ -
Covered- employee payroll	$ 1,249,197	$ 1,271,193	$ 1,112,701
Contributions as a percentage of covered-employee payroll	8.49%	53.50%	10.99%

Notes to Schedule

Valuation Date:	6/30/2014
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.

Valuation Date:	6/30/2015
Discount Rate	7.65%

*- Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

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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, 2017.

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, 2017.

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
January 8, 2018

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SUPPLEMENTARY INFORMATION SECTION

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SCHEDULE OF SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS (SAFE) FUND
REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2017

	Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
SAFE	$ 340,000	$ 380,954	$ 40,954
Total revenues	340,000	380,954	40,954
Expenditures:			
Salaries/Fringe/Materials and services	125,000	148,094	(23,094)
Direct programs	144,917	92,583	52,334
FSP match	57,152	59,015	(1,863)
511 support	60,000		60,000
Electric vehicle chargers		1,700	(1,700)
Rideshare	27,000	5,051	21,949
FSP other		(64)	64
Total expenditures	414,069	306,379	107,690
Excess (deficit) of revenues over expenditures	$ (74,069)	74,575	$ 148,644
SAFE carryover, beginning of fiscal year		1,561,382	
SAFE carryover, end of fiscal year		$ 1,635,957	

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, 2017

		Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Rural planning assistance		$ 488,329	$ 473,979	$ (14,350)
Total revenues		488,329	473,979	(14,350)
Expenditures:				
1010	Work program administration	55,000	55,000	
1120	Planning coordination	140,000	140,000	
4110	Document review	25,000	13,407	11,593
6140	Bicycle/Pedestrian planning	65,000	62,243	2,757
6220	Regional transportation plan	57,000	57,000	
6410	Regional trans imp plan (RTIP)	55,000	55,000	
6710	Corridor studies	25,000	25,000	
6725	Hiway 68 Monterey to Salinas	66,329	66,329	
Total expenditures		488,329	473,979	14,350
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, 2017

		Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Planning, Programming and Monitoring		$ 231,000	$ 231,000	$ -
Total revenues		231,000	231,000	
Expenditures:				
1130	Public involvement program	30,000	47,040	(17,040)
2310	Data collection		5,921	(5,921)
6140	Bicycle/Pedestrian planning	1,000		1,000
6220	Regional transportation plan and EIR update		16,632	(16,632)
6500	Project development	136,400	134,594	1,806
6725	Hwy 68 corridor study	24,112		24,112
6800	Rail planning	13,600	26,813	(13,213)
6803	Commuter rail	25,888		25,888
Total expenditures		231,000	231,000	
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, 2017

	Work Elements/ Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Freeway service patrol	$ 228,607	$ 236,057	$ 7,450
Local match	57,152	59,015 *	1,863
Total revenues	285,759	295,072	9,313
Expenditures:			
Salaries/Fringe/Materials & Supplies	25,000	40,602	(15,602)
Direct programs	192,000	180,990	11,010
Total expenditures	217,000	221,592	(4,592)
Excess (deficit) of revenues over expenditures	$ 68,759	73,480	$ 4,721
Freeway service patrol carryover, beginning of fiscal year		553,818	
Freeway service patrol carryover, end of fiscal year		$ 627,298	

* 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, 2017

Work Element:		Budget	Actual	Variance Favorable (Unfavorable)
1010	Work program administration operating	$ 65,255	$ 38,557	$ 26,698
1020	LTF administration operating	70,969	55,377	15,592
1020	LTF Direct	35,000	34,965	35
1120	Planning coordination & Interagency liaison operating	204,064	178,619	25,445
1122	Legislative advocacy operating	57,589	49,674	7,915
1122	Legislative advocacy direct	35,000	25,255	9,745
1130	Public involvement program operating	189,030	243,013	(53,983)
1130	Public involvement program direct	450,000	74,763	375,237
1750	Traveler info system feasibility plan operating	94,241	21,599	72,642
1750	Traveler info system feasibility plan direct	60,000		60,000
1770	Freeway Service Patrol operating	31,680	40,602	(8,922)
1770	Freeway Service Patrol direct	192,000	180,990	11,010
1780	SAFE operating	27,883	44,600	(16,717)
1780	SAFE direct	144,917	92,583	52,334
1790	Rideshare operating	142,560	81,209	61,351
1790	Ridesharing direct	27,000	5,051	21,949
2310	Data collection operating	30,046	9,235	20,811
2310	Data collection direct	25,000	24,327	673
2510	Regional transportation model operating	13,319	1,496	11,823
4110	Document review operating	25,858	13,509	12,349
4150	Electric vehicle charger operating		687	(687)
4150	Electric vehicle charger direct		1,700	(1,700)
6140	Bicycle/Pedestrian planning operating	87,682	62,317	25,365
6145	Bicycle & Pedestrian Plan operating	60,999	47,986	13,013
6148	Tri-County bike week operating	34,048	30,650	3,398
6148	Tri-County bike week direct	27,500	25,212	2,288
6149	Bicycle Facilities Map operating		1,198	(1,198)
6220	Regional transportation plan operating	108,526	53,844	54,682
6220	Regional transportation plan direct	25,000	25,000	
6262	RDIF Agency operating	34,502	23,087	11,415
6262	RDIF Agency direct	10,000	2,285	7,715
6264	FORA Fee Study-Operating	48,135	34,731	13,404
6264	FORA Fee Study-Direct		35,271	(35,271)
6410	Regional trans imp plan (RTIP) operating	62,324	76,822	(14,498)
6500	Project development operating	182,101	265,078	(82,977)
6500	Project development direct	10,000	9,785	215
6501	Roundabout Outreach-operating	113,185	43,199	69,986
6501	Roundabout Outreach-direct	6,172	3,017	3,155
6502	SR 156 West Project Mgmt operating	226,988	37,308	189,680
6502	SR 156 West Project Mgmt-direct	294,000	166,609	127,391
6550	Complete St Project Implemenation operating	114,307	67,806	46,501
6550	Complete St Project Implemenation-Direct	505,000	41,282	463,718
6551	Via Salinas Valley-Direct		3,452,883	(3,452,883)
6710	Corridor studies operating	29,646	32,127	(2,481)
6723	INVEST-101 operating		4,532	(4,532)
6724	Hiway 68 Corridor Study_PG-Oper	45,276	10,341	34,935
6724	Hiway 68 Corridor Study_PG-Direct		11,312	(11,312)
6725	Hiway 68 Monterey to Salinas-Operating	118,663	54,426	64,237
6725	Hiway 68 Monterey to Salinas-Direct	100,000	173,422	(73,422)
6800	Railroad operating	67,238	56,083	11,155
6800	Railroad direct		1,500	(1,500)
6803	Commuter rail operating	248,772	223,929	24,843
6803	Commuter rail direct	12,535,000	1,837,010	10,697,990
6804	Railroad leases operating	50,744	39,407	11,337
6804	Railroad leases direct	25,000	4,740	20,260
6805	Railroad Fort Ord property operating	7,515	15,971	(8,456)
6805	Railroad Fort Ord property direct	17,000	7,671	9,329
6806	Mtry Branch line alternative analysis operating	2,990	1,522	1,468
6806	Mtry Branch line alternative analysis direct	65,000	23,721	41,279
6807	Commuter rails lease operating	5,653	9,921	(4,268)
6807	Commuter rails lease direct	5,500	38,657	(33,157)
6808	Coast Daylight operating	14,950	24,840	(9,890)
6808	Coast Daylight direct	149,520	147,127	2,393
7000	Pavement Management-Operating		25,944	(25,944)
7000	Pavement Management-Direct		345	(345)
8000	Sales Tax Measure Admin-Operating		92,987	(92,987)
8010	Sales Tax Measure -Materials & Services		15,456	(15,456)
0000	Unallowable-Direct	82,186	82,186	
	Total expenditures by work element	$ 17,442,533	$ 8,658,358	$ 8,784,175

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
LOCAL TRANSPORTATION FUND
SCHEDULE OF ALLOCATIONS BY PURPOSE
Fiscal Year Ended June 30, 2017

	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	291,830	3,764,695		
Cities:				
Carmel		125,951		
Del Rey Oaks		55,799		
Gonzales		280,909		
Greenfield		567,062		
King City		450,994		
Marina		701,584		
Monterey		946,661		
Pacific Grove		517,247		
Salinas		5,200,705		
Sand		12,168		
Seaside		1,131,839		
Soledad		544,071		
Allocations	$ 291,830	$ 14,299,685	$ -	$ -

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
	4,056,525
	125,951
	55,799
	280,909
	567,062
	450,994
	701,584
	946,661
	517,247
	5,200,705
	12,168
	1,131,839
	544,071
$ 908,485	$ 15,500,000

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
LOCAL TRANSPORTATION FUND
SCHEDULE OF CLAIMS BY PURPOSE
Fiscal Year Ended June 30, 2017

	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	$ 25,212	$ -	$ -	$ -
Monterey County and Unincorporated Area	73,103	4,054,655		
Cities:				
Carmel		135,746		
Del Rey Oaks		59,076		
Gonzales		300,218		
Greenfield		616,962		512,338
King City		501,891		
Marina		744,027		
Monterey		1,013,570		
Pacific Grove		544,874		
Salinas		5,692,732		
Sand		13,432		
Seaside	128,727	1,207,471		
Soledad		587,163		
Claims	$ 227,042	$ 15,471,817	$ -	$ 512,338

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	$ 933,696
	4,127,758
	135,746
	59,076
	300,218
	1,129,300
	501,891
	744,027
	1,013,570
	544,874
	5,692,732
	13,432
	1,336,198
	587,163
$ 908,484	$ 17,119,681

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATE TRANSIT ASSISTANCE FUND
SCHEDULE OF AMOUNTS ALLOCATED AND DISBURSED BY PURPOSE
Fiscal Year Ended June 30, 2017

	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	$ 2,219,751	$ -	$ -	$ -	$ -	$ 2,219,751
Disbursements:						
2016-17 Claims	$ 2,194,285	$ -	$ -	$ -	$ -	$ 2,194,285
Total disbursements	$ 2,194,285	$ -	$ -	$ -	$ -	2,194,285