

City of Placerville

Placerville, California

Annual Financial Report and Independent Auditors' Reports

For the Year Ended June 30, 2023

Prepared By the
The Finance Department
of the City of Placerville

CITY OF PLACERVILLE
Annual Financial Report
For the Year Ended June 30, 2023
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the City Council of the City of Placerville
Placerville, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Placerville, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Correction of Error

As discussed in Note 16, the City has restated its beginning net position/fund balance of the government-wide governmental activities and the governmental funds, in order to correct an error in accounting for accounts receivable. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Honorable Mayor and Members
of the City Council of the City of Placerville
Placerville, California
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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules of the City's Proportionate Share of Net Pension Liability and Related Ratios, Schedule of Changes in Net OPEB Liability and Related Ratios, as listed in the accompanying tables of contents, 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 and other auditors 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are fairly stated, in all material respects, in relation 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 July 30, 2024, on our consideration of the City'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 solely 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 the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

The Pen Group, LLP

Walnut Creek, California
July 30, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Placerville (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. This discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position, and to identify any material changes in the approved operating and capital budgets.

Financial Highlights – Primary Government

- The City's net position at the end of the year was \$95.12M, an increase of \$15.95M. The portion of the City's net position that were unrestricted and available to meet ongoing obligations to citizens and creditors totaled a deficit of \$(6.67)M.
- The governmental net position increased by \$12.42M or 22.20%, and the business-type net position increased by \$3.53M or 15.22%.
- Program revenues from governmental activities decreased by \$3.21M or 66.10%. Program revenues from business-type activities increased by \$0.12M or 1.22%. General revenues, net of transfers, decreased \$0.46M or 2.89%.

City Highlights

- Began construction of the Placerville Station II Park & Ride, \$1.22M
- Began construction of the Modular Treatment Unit No. 1 Servicing and Underdrain Replacement, \$0.39M
- Continued design phase of the Placerville Drive Bicycle & Pedestrian Facility Improvements, \$0.32M
- Completed construction of the Spring Street Storm Drain Repair, \$0.32M
- Continued the design phase of the Broadway Maintenance, \$0.30M
- Continued design phase of the Broadway Sidewalks, \$0.21M
- Completed the US 50 Corridor Action Plan-Trip to Green Pilot, \$0.20M
- Began the design of the Placerville Drive Connectivity, \$ 0.13M
- Continued design phase of the Placerville Drive Bridge Widening, \$0.12M
- Began the CAD/RMS Hardware/Software Conversion, \$0.12M
- Began construction of the Secondary Clarifier No. 1 Replacement, \$0.11M

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. They are comprised of the *statement of net position* and *statement of activities and changes in net position*. The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or weakening. This statement, unlike previous financial statements prior to implementing GASB 34, combines and consolidates the governmental funds' current financial resources with capital assets and long-term obligations. The *statement of activities and changes in net position* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., interest expense due but unpaid). Both of the above government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues

(governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, community development and recreation and parks. The business-type activities of the City include the two municipal utilities: water acquisition and delivery and wastewater collection and treatment.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The fund financial statements provide detail information about each of the City's most significant funds, called *major funds*. The concept of major funds, and the determination of which are major funds, was established by GASB 34 and replaces the concept of combining like funds and presenting them in total. Instead, each *major fund* is presented individually, with all *nonmajor funds* summarized and presented in a single column.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The City has eleven governmental funds, of which five are considered major funds for presentation purposes. Each major fund is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the City's major funds – the General Fund, the Transportation Development Fund, the Measure J Fund, the Measure L Fund, and the Development Impact Fund. Data from the other seven non-major governmental funds are combined into a single, aggregated presentation.

Proprietary Funds. The City maintains two different types of proprietary funds – *enterprise funds* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the two municipal utilities; water acquisition and distribution and wastewater collection and treatment. *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its risk management activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The fund financial statements for the proprietary funds provide separate information for the municipal utilities. Conversely, the internal service funds are combined into a single aggregated column in the proprietary fund statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* providing budgetary comparison schedules for the General Fund, the Transportation Development Fund, the Measure J Fund, the Measure L Fund, and the Development Impact Fund.

Government-Wide Statements

Statement of Net Position:

The City's net position at the end of the year was \$95.12M, an increase of \$15.95M. The governmental net position increased by \$12.42M or 22.20% and the business-type net position increased by \$3.53M or 15.22%. The increase in governmental net position is primarily due to a \$7.40M or 43.22% decrease in expenses and a \$3.21M or 66.10% increase in program revenues. The City and its contractors completed \$4.72M in capital projects as of June 30, 2023. Please see the "Capital Assets" section below for more details.

Net Position

June 30, 2023 and 2022

(amounts expressed in thousands)

	Governmental Activities		Business Type Activities		Total Primary Government	
	FY 21/22	FY 22/23	FY 21/22	FY 22/23	FY 21/22	FY 22/23
Current assets	\$ 9,966	\$ 16,216	\$ 10,009	\$ 11,985	\$ 19,975	\$ 28,201
Restricted Assets	11,994	9,036	97	386	12,091	9,422
Capital assets	63,128	66,676	63,158	62,089	126,286	128,765
Total assets	<u>85,088</u>	<u>91,928</u>	<u>73,264</u>	<u>74,460</u>	<u>158,352</u>	<u>166,388</u>
Total Deferred Outflows of Resources	3,931	7,604	949	2,265	4,880	9,869
Current liabilities	2,566	5,271	2,556	3,101	5,122	8,372
Noncurrent liabilities	16,529	23,114	45,255	45,688	61,784	68,802
Total liabilities	<u>19,095</u>	<u>28,385</u>	<u>47,811</u>	<u>48,789</u>	<u>66,906</u>	<u>77,174</u>
Total Deferred Inflows of Resources	10,582	2,769	3,191	1,192	13,773	3,961
Net position:						
Net investment in capital assets	62,426	66,104	19,992	20,987	82,418	87,091
Restricted	13,240	11,899	2,226	2,798	15,466	14,697
Unrestricted (deficit)	(16,324)	(9,625)	993	2,959	(15,331)	(6,666)
Total net position	<u>\$ 59,342</u>	<u>\$ 68,378</u>	<u>\$ 23,211</u>	<u>\$ 26,744</u>	<u>\$ 82,553</u>	<u>\$ 95,122</u>

Changes in Net Position

Program revenues from governmental activities increased \$3.21M or 66.10%. The increase is primarily due to a \$2.64M increase in capital grants and contributions. General revenues, net of transfers, decreased \$0.46M or 2.89%. This net decrease is primarily due to a \$0.89M or 6.78% decrease in local sales tax revenues. Program revenues from business-type activities increased by \$0.12M or 1.22% which was primarily due to a \$0.20M increase in charges for services. Business-type revenues exceeded expenditures by \$3.53M primarily due to the \$2.76M decrease in expenses and a \$0.12M increase in program revenues. Water Enterprise Fund expenditures exceeded revenues by \$0.20M which was primarily due to a \$0.56M increase in operating expenses. Sewer Enterprise Fund revenues exceeded expenditures by \$3.45M which was primarily due to a \$2.89M decrease in operating expenses.

Condensed Statement of Activities and Changes in Net Position

For the years ended June 30, 2023 and 2022

(amounts expressed in thousands)

	Net (Expense) Revenue and Changes in Net Position							
	Expenses		Program Revenues		Government Activities		Business-type Activities	
	FY 21/22	FY 22/23	FY 21/22	FY 22/23	FY 21/22	FY 22/23	FY 21/22	FY 22/23
<i>Governmental activities</i>								
General government	\$ 7,089	\$ 2,510	\$ 988	\$ 1,245	\$ (6,101)	\$ (1,265)		
Public safety	5,954	5,199	500	467	(5,454)	(4,732)		
Highways and streets	1,199	149	2,433	3,143	1,234	2,994		
Community development	788	404	380	826	(408)	422		
Parks and recreation	2,099	1,464	551	2,377	(1,548)	913		
Total governmental activities	<u>17,129</u>	<u>9,726</u>	<u>4,852</u>	<u>8,058</u>	<u>(12,277)</u>	<u>(1,668)</u>		
<i>Business-type activities</i>								
Water	2,005	2,569	2,418	2,433			413	(136)
Sewer	8,344	5,024	7,200	7,303			(1,144)	2,279
Total business-type activities	<u>10,349</u>	<u>7,593</u>	<u>9,618</u>	<u>9,736</u>			<u>(731)</u>	<u>2,143</u>
Total primary government	<u>\$ 27,478</u>	<u>\$ 17,319</u>	<u>\$ 14,470</u>	<u>\$ 17,794</u>				
					14,285	14,089	1,655	1,390
					2,008	12,421	924	3,533
					Net Position:			
					57,334	55,957	22,287	23,211
					<u>\$ 59,342</u>	<u>\$ 68,378</u>	<u>\$ 23,211</u>	<u>\$ 26,744</u>

Budgetary Highlights - Current Year Impacts

- The City has an agreement with the California Public Employees Retirement System (CalPERS) to provide pension benefits to City employees. Below are the annual employer pension contributions and the aggregate net pension liability as of June 30th:

<u>Fiscal Year</u>	<u>Annual Pension Contributions</u>	<u>Aggregate Net Pension Liability</u>
2018/2019	\$ 1,661,204	\$ 18,365,623
2019/2020	1,876,941	19,571,157
2020/2021	2,370,339	21,325,257
2021/2022	2,174,786	15,196,362
2022/2023	2,441,179	23,501,662

Additional information about the City's pension plans can be found in Note 8 – Public Employee Retirement System.

Fund Financial Statements

Governmental Funds

The fund financial statements present financial data for the general, special revenue, capital projects and fiduciary funds. At the close of Fiscal Year 2022/2023, the City's governmental funds reported a combined ending fund balance of \$17.40M an increase of \$2.91M or 20.09%.

In November 2016, Placerville voters approved Measure L, which is a 0.50% add on sales tax dedicated to paying for street, wastewater system and water system improvements. The Measure L sales tax became effective April 1, 2017, and generated \$2.92M during Fiscal Year 2022/2023. The Measure L Fund provided \$1.19M for street, sewer system, and water system infrastructure improvements during the fiscal year.

General Fund. Total fund balance for the General Fund on June 30, 2023 was \$4.94M, an increase of \$0.51M or 11.58% from the prior year. Of the \$4.94M fund balance, \$3.02M is available for contingencies. The \$3.02M unassigned balance represents 27.86% of General Fund expenditures, net of fund transfers.

Business Type Funds

The City's proprietary funds, excluding internal service funds, provide the same type of information found in the government-wide financial statements, but in more detail. As discussed in the business-type activities above, the business-type net position increased by \$3.53M or 15.22% which was primarily due to a \$2.76M decrease in expenses and a \$0.12M increase in program revenues.

In November 2010, Placerville voters approved Measure H, which is a 0.25% add on sales tax dedicated to paying for wastewater and/or water related debt and infrastructure replacement costs. The Measure H sales tax became effective April 1, 2011, and generated \$1.45M in Fiscal Year 2022/2023. The Measure H Fund provided \$0.52M for Sewer Enterprise Fund debt service payments and \$0.69M in contributions towards capitalized sewer and water infrastructure improvements during the fiscal year.

At its meeting held on February 13, 2018, the City Council adopted new five-year water and wastewater user rate schedules that became effective February 16, 2018. Effective June 16, 2022, the water and wastewater rates were increased by an additional 4.50% and 3.00% respectively.

Capital Assets and Debt Administration

Debt Administration

Long Term Debt - At the end of the current fiscal year, the City had \$42.41M in long term debt outstanding compared to \$43.87M last year, a \$1.46M or 3.33% net decrease. The decrease is primarily due to debt service payments made in Fiscal Year 2022/2023. Details of all debt are included in Note 6 of the *notes to the basic financial statements*.

Capital Assets

Capital asset additions for Fiscal Year 2022/2023 include:

Governmental Activities

- Began construction of the Placerville Station II Park & Ride, \$1.22M
- Continued design phase of the Placerville Drive Bicycle & Pedestrian Facility Improvements, \$0.32M
- Completed construction of the Spring Street Storm Drain Repair, \$0.32M
- Continued the design phase of the Broadway Maintenance, \$0.30M
- Continued design phase of the Broadway Sidewalks, \$0.21M

- Completed the US 50 Corridor Action Plan-Trip to Green Pilot, \$0.20M
- Began the design of the Placerville Drive Connectivity, \$ 0.13M
- Continued design phase of the Placerville Drive Bridge Widening, \$0.12M
- Began the CAD/RMS Hardware/Software Conversion, \$0.12M

Governmental Capital Assets

June 30, 2023

(amounts expressed in thousands)

	Balance				Balance	
	June 30, 2022	Additions	Deletions	Transfers	June 30, 2023	
<i>Non-Depreciable Assets:</i>						
Land and improvements	\$ 12,959	\$ -	\$ -	\$ -	\$ 12,959	
Construction in progress	31,419	3,793	-	-	35,212	
Total nondepreciable assets	<u>44,378</u>	<u>3,793</u>	<u>-</u>	<u>-</u>	<u>48,171</u>	
<i>Depreciable Assets:</i>						
Buildings and structures	12,892	-	-	-	12,892	
Machinery and equipment	3,584	418	-	-	4,002	
Infrastructure	15,437	-	-	-	15,437	
Total depreciable assets	<u>31,913</u>	<u>418</u>	<u>-</u>	<u>-</u>	<u>32,331</u>	
Less accumulated depreciation	<u>(13,162)</u>	<u>(664)</u>	<u>-</u>	<u>-</u>	<u>(13,826)</u>	
Total governmental activities	<u>\$ 63,129</u>	<u>\$ 3,547</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,676</u>	

Business Type Activities

- Began construction of the Modular Treatment Unit No. 1 Servicing and Underdrain Replacement, \$0.39M
- Began construction of the Secondary Clarifier No. 1 Replacement, \$0.11M

Business-Type Capital Assets

June 30, 2023

(amounts expressed in thousands)

	Balance				Balance	
	June 30, 2022	Additions	Deletions	Transfers	June 30, 2023	
<i>Non-depreciable Assets:</i>						
Land and improvements	\$ 2,329	\$ -	\$ -	\$ -	\$ 2,329	
Construction in progress	5,665	925	-	-	6,590	
Total nondepreciable assets	<u>7,994</u>	<u>925</u>	<u>-</u>	<u>-</u>	<u>8,919</u>	
<i>Depreciable Assets:</i>						
Buildings and structures	74,391	-	-	-	74,391	
Machinery and equipment	1,439	18	-	-	1,457	
Infrastructure	54,332	-	-	-	54,332	
Total depreciable assets	<u>130,162</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>130,180</u>	
Less accumulated depreciation	<u>(74,998)</u>	<u>(2,011)</u>	<u>-</u>	<u>-</u>	<u>(77,009)</u>	
Total depreciable assets, net	<u>55,164</u>	<u>(1,993)</u>	<u>-</u>	<u>-</u>	<u>53,171</u>	
Total business-type activities	<u>\$ 63,158</u>	<u>\$ (1,068)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,090</u>	

Other Information

The Placerville Public Financing Authority

As discussed in Note 15 of the *notes to the basic financial statements*, the Placerville Public Finance Authority has defaulted on certain Revenue Bonds. That default was the product of a default on certain assessment bonds issued by the City of Placerville on behalf of improvement districts created by the City in response to a petition by property owners for a specific purpose. The City is not obligated to pay the assessment bonds with any funds other than assessments levied against the properties within those districts.

The Authority is a separate legal entity with the Authority's Board of Directors being comprised of the City's Council Members, City Manager and Assistant City Manager/Director of Finance. The Authority has accountability for all funds, the power to execute contracts, and the right to sue and be sued. Obligations and liabilities of the Authority are not general obligations of the City.

Neither the City nor the Authority has any obligation to advance its own funds toward payments to bondholders. Payments with respect to assessments secured by liens against real property benefiting from the issuance of bonds, plus any amounts remaining from the proceeds of bond issues are the sole security for payment to bondholders. In the event of default, the City is responsible for foreclosure and auction proceedings on the property.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all of its citizens, taxpayers, customers, investors and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Placerville, Assistant City Manager/Director of Finance, 3101 Center Street, Placerville, CA 95667.

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BASIC FINANCIAL STATEMENTS

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**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

City of Placerville
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 9,405,211	\$ 8,274,992	\$ 17,680,203
Receivables:			
Accounts	6,669,075	296,029	6,965,104
Interest	46,427	41,485	87,912
Utility billings, net	-	3,277,613	3,277,613
Inventory	12,301	-	12,301
Prepaid items	177,276	-	177,276
Internal balances	(94,415)	94,415	-
Total current assets	<u>16,215,875</u>	<u>11,984,534</u>	<u>28,200,409</u>
Restricted:			
Cash and investments	7,190,797	-	7,190,797
Cash and investments held by fiscal agents	604,078	385,524	989,602
Receivables:			
Accounts	539,954	-	539,954
Interest	29,439	-	29,439
Loans	671,715	-	671,715
Total restricted assets	<u>9,035,983</u>	<u>385,524</u>	<u>9,421,507</u>
Capital assets:			
Non-depreciable	48,170,843	8,919,063	57,089,906
Depreciable, net	18,505,242	53,170,979	71,676,221
Total capital assets, net	<u>66,676,085</u>	<u>62,090,042</u>	<u>128,766,127</u>
Total Assets	<u>91,927,943</u>	<u>74,460,100</u>	<u>166,388,043</u>
Deferred Outflows of Resources			
Pension related deferred outflows of resources	7,422,029	2,197,813	9,619,842
OPEB related deferred outflows of resources	182,364	67,834	250,198
Total Deferred Outflows of Resources	<u>7,604,393</u>	<u>2,265,647</u>	<u>9,870,040</u>

City of Placerville
Statement of Net Position (Continued)
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Current liabilities:			
Accounts payable	2,853,903	719,931	3,573,834
Payroll and related taxes payable	268,841	-	268,841
Deposits	80,274	34,557	114,831
Interest payable	9,027	149,001	158,028
Unearned revenue	1,573,889	-	1,573,889
Current portion of compensated absences	341,934	-	341,934
Current portion of long-term debt	143,404	2,197,927	2,341,331
Total current liabilities	<u>5,271,272</u>	<u>3,101,416</u>	<u>8,372,688</u>
Long-term liabilities:			
Compensated absences	751,181	-	751,181
Claims payable	384,525	-	384,525
Long-term debt, net	863,524	39,201,544	40,065,068
Total OPEB liability	2,987,805	1,111,377	4,099,182
Aggregate net pension liability	18,126,807	5,374,855	23,501,662
Total long-term liabilities	<u>23,113,842</u>	<u>45,687,776</u>	<u>68,801,618</u>
Total Liabilities	<u>28,385,114</u>	<u>48,789,192</u>	<u>77,174,306</u>
Deferred Inflows of Resources			
Pension related deferred inflows of resources	2,073,229	933,517	3,006,746
OPEB related deferred inflows of resources	695,690	258,776	954,466
Total Deferred Inflows of Resources	<u>2,768,919</u>	<u>1,192,293</u>	<u>3,961,212</u>
Net Position:			
Net investment in capital assets	66,104,106	20,986,689	87,090,795
Restricted:			
Capital projects	-	2,797,598	2,797,598
Special projects and programs	11,899,340	-	11,899,340
Total restricted	<u>11,899,340</u>	<u>2,797,598</u>	<u>14,696,938</u>
Unrestricted (Deficit)	<u>(9,625,143)</u>	<u>2,959,975</u>	<u>(6,665,168)</u>
Total Net Position	<u>\$ 68,378,303</u>	<u>\$ 26,744,262</u>	<u>\$ 95,122,565</u>

City of Placerville
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 2,510,440	\$ 870,680	\$ -	\$ 373,833	\$ 1,244,513
Public safety	5,198,782	113,023	182,344	171,541	466,908
Highways and streets	149,399	345,981	541,365	2,255,268	3,142,614
Community development	404,023	464,771	-	361,636	826,407
Parks and recreation	1,463,047	721,712	-	1,655,986	2,377,698
Total governmental activities	9,725,691	2,516,167	723,709	4,818,264	8,058,140
Business-type activities:					
Water	2,568,966	2,424,716	-	8,413	2,433,129
Sewer	5,024,226	7,235,325	-	67,308	7,302,633
Total business-type activities	7,593,192	9,660,041	-	75,721	9,735,762
Total primary government	\$ 17,318,883	\$ 12,176,208	\$ 723,709	\$ 4,893,985	\$ 17,793,902

City of Placerville
Statement of Activities and Changes in Net Position (Continued)
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (1,265,927)	\$ -	\$ (1,265,927)
Public safety	(4,731,874)	-	(4,731,874)
Highways and streets	2,993,215	-	2,993,215
Community development	422,384	-	422,384
Parks and recreation	914,651	-	914,651
Total governmental activities	(1,667,551)	-	(1,667,551)
Business-type activities:			
Water	-	(135,837)	(135,837)
Sewer	-	2,278,407	2,278,407
Total business-type activities	-	2,142,570	2,142,570
Total primary government	(1,667,551)	2,142,570	475,019
 General revenues and transfers:			
Taxes:			
Property	364,196	-	364,196
Sales	10,751,177	1,446,014	12,197,191
Motor vehicle	1,123,674	-	1,123,674
Other	1,217,888	-	1,217,888
Total taxes	13,456,935	1,446,014	14,902,949
Interest and investment earnings	231,221	116,128	347,349
Miscellaneous	214,978	14,491	229,469
Transfers	186,013	(186,013)	-
Total general revenues and transfers	14,089,147	1,390,620	15,479,767
 Changes in net position	 12,421,596	 3,533,190	 15,954,786
 Net Position:			
Beginning of year, as restated (Note 16)	55,956,707	23,211,072	79,167,779
End of year	\$ 68,378,303	\$ 26,744,262	\$ 95,122,565

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FUND FINANCIAL STATEMENTS

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**GOVERNMENTAL FUND
FINANCIAL STATEMENTS**

**City of Placerville
Balance Sheet
Governmental Funds
June 30, 2023**

	Major Funds			
	General	Transportation	Measure J	Measure L
	Fund	Development Fund	Fund	Fund
ASSETS				
Cash and investments	\$ 1,988,949	\$ 431,435	\$ 29,079	\$ 6,750,772
Receivables:				
Accounts	1,427,347	4,590,656	215,164	431,052
Interest	8,577	-	132	37,718
Prepays	177,276	-	-	-
Inventories	12,301	-	-	-
Due from other funds	202,022	-	-	-
Advances to other funds	1,730,000	-	-	-
Restricted:				
Cash and investments	-	-	-	-
Cash and investments held by fiscal agents	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Interest	-	-	-	-
Loans	-	-	-	-
Total assets	\$ 5,546,472	\$ 5,022,091	\$ 244,375	\$ 7,219,542
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 260,729	\$ 1,547,186	\$ 1,236	\$ -
Payroll and related liabilities	268,841	-	-	-
Due to other funds	-	285,891	-	-
Deposits payable	78,015	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	2,315,253	-	-
Total liabilities	607,585	4,148,330	1,236	-
Deferred inflows of resources:				
Unavailable revenues	-	503,787	-	-
Total deferred inflows of resources	-	503,787	-	-
Fund Balances:				
Nonspendable	1,919,577	-	-	-
Restricted	-	369,974	243,139	7,219,542
Committed	-	-	-	-
Unassigned	3,019,310	-	-	-
Total fund balances	4,938,887	369,974	243,139	7,219,542
Total liabilities, deferred inflows of resources and fund balances	\$ 5,546,472	\$ 5,022,091	\$ 244,375	\$ 7,219,542

City of Placerville
Balance Sheet (Continued)
Governmental Funds
June 30, 2023

	Major Funds		Total Governmental Funds
	Grants Fund	Other Governmental Funds	
ASSETS			
Cash and investments	\$ -	\$ -	\$ 9,200,235
Receivables:			
Accounts	-	-	6,664,219
Interest	-	-	46,427
Prepays	-	-	177,276
Inventories	-	-	12,301
Due from other funds	-	-	202,022
Advances to other funds	-	-	1,730,000
Restricted:			
Cash and investments	3,887,298	3,303,499	7,190,797
Cash and investments held by fiscal agents	-	434,949	434,949
Receivables:			
Accounts	210,719	329,235	539,954
Interest	12,180	17,259	29,439
Loans	671,715	-	671,715
Total assets	\$ 4,781,912	\$ 4,084,942	\$ 26,899,334
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 799,600	\$ 184,870	\$ 2,793,621
Payroll and related liabilities	-	-	268,841
Due to other funds	10,546	-	296,437
Deposits payable	-	2,259	80,274
Unearned revenue	1,544,867	-	1,544,867
Advances from other funds	-	117,762	2,433,015
Total liabilities	2,355,013	304,891	7,417,055
Deferred inflows of resources:			
Unavailable revenues	1,578,244	-	2,082,031
Total deferred inflows of resources	1,578,244	-	2,082,031
Fund Balances:			
Nonspendable	-	-	1,919,577
Restricted	848,655	3,218,030	11,899,340
Committed	-	562,021	562,021
Unassigned	-	-	3,019,310
Total fund balances	848,655	3,780,051	17,400,248
Total liabilities, deferred inflows of resources and fund balances	\$ 4,781,912	\$ 4,084,942	\$ 26,899,334

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City of Placerville
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds	\$ 17,400,248
Amounts reported for governmental activities in the Statement of Net Position were different because:	
Capital assets used in governmental activities were not financial resources and therefore were not reported in governmental funds	
Non-depreciable	48,170,843
Depreciable	18,505,242
Total capital assets adjustment	66,676,085
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.	
	(9,027)
Long-term liabilities were not due and payable in the current period and therefore were not reported in the governmental funds.	
Amount reported in Government-Wide Statement of Net Position:	
Compensated absences - due within one year	(341,934)
Compensated absences - due in more than one year	(751,181)
Claims payable - due in more than one year	(384,525)
Long-term debt - due within one year	(143,404)
Long-term debt - due in more than one year	(863,524)
Total reported in Government-Wide Statement of Net Position	(2,484,568)
Plus: Amount reported in Internal Service Funds	
Claims payable - due in more than one year	384,525
Total reported in Internal Service Funds	384,525
Net long-term liabilities	(2,100,043)
Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	
	(18,126,807)
Total OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds.	
	(2,987,805)
Pension-related deferred outflows/inflows of resources in the governmental activities were not financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.	
Pension-related deferred outflows of resources	7,422,029
Pension-related deferred inflows of resources	(2,073,229)
OPEB-related deferred outflows/inflows of resources in the governmental activities were not financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.	
OPEB-related deferred outflows of resources	182,364
OPEB-related deferred inflows of resources	(695,690)
Deferred inflows and outflows of resources are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds:	
Unavailable revenues	2,082,031
Internal service funds were used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.	
	608,147
Net Position of Governmental Activities	\$ 68,378,303

City of Placerville
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds			
	General	Transportation Development	Measure J	Measure L
	Fund	Fund	Fund	Fund
REVENUES:				
Property taxes	\$ 364,196	\$ -	\$ -	\$ -
Sales tax	6,388,172	-	1,446,288	2,916,717
Other taxes	810,398	-	-	-
Franchise fees	407,490	-	-	-
Licenses and permits	172,456	-	-	-
Fines and forfeitures	82,720	-	-	-
Use of money and property	126,849	11,007	1,182	107,483
Intergovernmental	1,123,674	1,951,970	-	-
Charges for services	1,307,925	-	-	-
Grant revenues	-	-	-	-
Other revenues	567,491	-	-	-
Total revenues	11,351,371	1,962,977	1,447,470	3,024,200
EXPENDITURES:				
Current:				
General government	2,926,035	-	14,463	-
Public safety	3,689,348	-	1,609,385	-
Highways and streets	735,217	2,883,282	-	-
Community development	787,774	-	-	-
Parks and recreation	2,072,570	-	-	-
Total expenditures	10,210,944	2,883,282	1,623,848	-
REVENUES OVER (UNDER) EXPENDITURES	1,140,427	(920,305)	(176,378)	3,024,200
OTHER FINANCING SOURCES (USES):				
Proceeds from finance purchase agreement	-	-	-	-
Transfers in	384,525	1,161,924	60,000	-
Transfers out	(1,012,173)	-	-	(1,191,386)
Total other financing sources (uses)	(627,648)	1,161,924	60,000	(1,191,386)
CHANGES IN FUND BALANCES	512,779	241,619	(116,378)	1,832,814
FUND BALANCES:				
Beginning of year, as restated (Note 16)	4,426,108	128,355	359,517	5,386,728
End of year	<u>\$ 4,938,887</u>	<u>\$ 369,974</u>	<u>\$ 243,139</u>	<u>\$ 7,219,542</u>

City of Placerville
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds		Total Governmental Funds
	Grants	Other	
	Fund	Funds	
REVENUES:			
Property taxes	\$ -	\$ -	\$ 364,196
Sales tax	-	-	10,751,177
Other taxes	-	-	810,398
Franchise fees	-	-	407,490
Licenses and permits	-	-	172,456
Fines and forfeitures	-	-	82,720
Use of money and property	39,297	46,987	332,805
Intergovernmental	221,094	541,365	3,838,103
Charges for services	-	385,575	1,693,500
Grant revenues	1,606,120	243,790	1,849,910
Other revenues	-	-	567,491
Total revenues	1,866,511	1,217,717	20,870,246
EXPENDITURES:			
Current:			
General government	968,628	339,682	4,248,808
Public safety	672,779	118,597	6,090,109
Highways and streets	361,636	618,889	4,599,024
Community development	-	-	787,774
Parks and recreation	-	52,150	2,124,720
Total expenditures	2,003,043	1,129,318	17,850,435
REVENUES OVER (UNDER) EXPENDITURES	(136,532)	88,399	3,019,811
OTHER FINANCING SOURCES (USES):			
Proceeds from finance purchase agreement	-	434,949	434,949
Transfers in	392,584	237,529	2,236,562
Transfers out	(84,434)	(492,541)	(2,780,534)
Total other financing sources (uses)	308,150	179,937	(109,023)
CHANGES IN FUND BALANCES	171,618	268,336	2,910,788
FUND BALANCES:			
Beginning of year, as restated (Note 16)	677,037	3,511,715	14,489,460
End of year	\$ 848,655	\$ 3,780,051	\$ 17,400,248

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City of Placerville
Reconciliation of the Governmental Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	2,910,788
Amounts reported for governmental activities in the Statement of Activities were different because:		
Governmental funds reported capital asset acquisitions as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.		4,211,405
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the Governmental Funds.		(663,841)
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Position, but it did not require the use of current financial resources. This amount represented the change in accrued interest from prior year.		(7,296)
Issuance of long-term liabilities provides current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.		
Finance purchase agreement		(434,949)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
Principal payment of long-term debt		130,233
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Changes in compensated absences		(55,328)
Changes in net pension liability reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.		(2,260,916)
The net effect of various miscellaneous transactions involving pension plans (i.e. deferred inflow/outflow amortization, contributions after measurement date) increased net position.		7,649,204
Changes in total OPEB liability reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.		(124,810)
The net effect of various miscellaneous transactions involving OPEB plans (i.e. deferred inflow/outflow amortization, contributions after measurement date) increased net position.		46,854
Unavailable revenues were reported as deferred inflows of resources in the Governmental Funds but were reported as revenues in the Government-Wide Statement of Statement of Activities.		1,091,028
Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds was reported with governmental activities.		(70,776)
Change in Net Position of Governmental Activities	\$	12,421,596

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PROPRIETARY FUND FINANCIAL STATEMENTS

City of Placerville
Statement of Net Position
Proprietary Funds
June 30, 2023

	Major Funds			Total	Governmental
	Water Fund	Sewer Fund	Measure H Fund		Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 2,339,695	\$ 3,754,582	\$ 2,180,715	\$ 8,274,992	\$ 204,976
Receivables:					
Accounts	2,013	78,848	215,168	296,029	4,856
Interest	11,999	13,295	16,191	41,485	-
Utility billings, net	819,769	2,457,844	-	3,277,613	-
Due from other funds	47,292	47,123	-	94,415	-
Advances to other funds	-	-	-	-	703,015
Total current assets	<u>3,220,768</u>	<u>6,351,692</u>	<u>2,412,074</u>	<u>11,984,534</u>	<u>912,847</u>
Noncurrent assets:					
Restricted assets:					
Cash with fiscal agents	209,786	175,738	-	385,524	169,129
Capital assets:					
Non-depreciable assets	1,832,031	7,087,032	-	8,919,063	-
Depreciable assets, net of accumulated depreciation	6,431,423	46,739,556	-	53,170,979	-
Total capital assets, net	<u>8,263,454</u>	<u>53,826,588</u>	<u>-</u>	<u>62,090,042</u>	<u>-</u>
Total noncurrent assets	<u>8,473,240</u>	<u>54,002,326</u>	<u>-</u>	<u>62,475,566</u>	<u>169,129</u>
Total assets	<u>11,694,008</u>	<u>60,354,018</u>	<u>2,412,074</u>	<u>74,460,100</u>	<u>1,081,976</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related deferred outflows of resources	665,491	1,532,322	-	2,197,813	-
OPEB-related deferred outflows of resources	19,678	48,156	-	67,834	-
Total deferred outflows of resources	<u>685,169</u>	<u>1,580,478</u>	<u>-</u>	<u>2,265,647</u>	<u>-</u>

City of Placerville
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Major Funds			Total	Governmental
	Water Fund	Sewer Fund	Measure H Fund		Activities Internal Service Funds
LIABILITIES					
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	186,705	533,226	-	719,931	60,282
Payroll and related liabilities	-	-	-	-	-
Deposits payable	32,219	2,338	-	34,557	-
Interest payable	3,046	145,955	-	149,001	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	29,022
Compensated absences - due within one year	-	-	-	-	-
Claims payable - due within one year	-	-	-	-	384,525
Long term debt - due within one year	36,181	2,161,746	-	2,197,927	-
Total current liabilities	258,151	2,843,265	-	3,101,416	473,829
Noncurrent liabilities:					
Long term debt - due in more than one year	150,293	39,051,251	-	39,201,544	-
Total OPEB liability	322,393	788,984	-	1,111,377	-
Aggregate net pension liability	1,627,490	3,747,365	-	5,374,855	-
Total noncurrent liabilities	2,100,176	43,587,600	-	45,687,776	-
Total liabilities	2,358,327	46,430,865	-	48,789,192	473,829
DEFERRED INFLOWS OF RESOURCES					
Pension-related deferred inflows of resources	282,666	650,851	-	933,517	-
OPEB-related deferred inflows of resources	75,067	183,709	-	258,776	-
Total deferred inflows of resources	357,733	834,560	-	1,192,293	-
Net Position:					
Net investment in capital assets	8,076,980	12,613,591	-	20,690,571	-
Restricted	209,786	175,738	2,412,074	2,797,598	169,129
Unrestricted	1,376,351	1,879,742	-	3,256,093	439,018
Total net position	\$ 9,663,117	\$ 14,669,071	\$ 2,412,074	\$ 26,744,262	\$ 608,147

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City of Placerville
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Major Funds			Total	Governmental
	Water Fund	Sewer Fund	Measure H Fund		Activities
					Internal Service Funds
OPERATING REVENUES:					
Charges for services	\$ 2,405,183	\$ 7,205,366	\$ -	\$ 9,610,549	\$ 406,990
Sales tax	-	-	1,446,014	1,446,014	-
Other operating revenues	8,655	5,836	-	14,491	-
Total operating revenues	2,413,838	7,211,202	1,446,014	11,071,054	406,990
OPERATING EXPENSES:					
General and administrative	658,703	399,265	-	1,057,968	1,196,259
Maintenance and operations	1,553,447	2,546,628	-	4,100,075	11,492
Depreciation	352,514	1,658,338	-	2,010,852	-
Total operating expenses	2,564,664	4,604,231	-	7,168,895	1,207,751
OPERATING INCOME (LOSS)	(150,826)	2,606,971	1,446,014	3,902,159	(800,761)
NONOPERATING REVENUES (EXPENSES):					
Grants	8,413	67,308	-	75,721	-
Connection fees	19,533	29,959	-	49,492	-
Interest income	37,394	33,978	44,756	116,128	-
Interest expense and fiscal charges	(4,302)	(419,995)	-	(424,297)	-
Total nonoperating revenues (expenses)	61,038	(288,750)	44,756	(182,956)	-
INCOME (LOSS) BEFORE TRANSFERS	(89,788)	2,318,221	1,490,770	3,719,203	(800,761)
TRANSFERS:					
Transfers in	97,280	1,342,536	-	1,439,816	729,985
Transfers out	(203,962)	(214,197)	(1,207,670)	(1,625,829)	-
Total transfers	(106,682)	1,128,339	(1,207,670)	(186,013)	729,985
CHANGES IN NET POSITION	(196,470)	3,446,560	283,100	3,533,190	(70,776)
NET POSITION:					
Beginning of year	9,859,587	11,222,511	2,128,974	23,211,072	678,923
End of year	\$ 9,663,117	\$ 14,669,071	\$ 2,412,074	\$ 26,744,262	\$ 608,147

City of Placerville
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Major Funds			Total	Governmental
	Water	Sewer	Measure H		Activities
	Fund	Fund	Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 2,368,370	\$ 7,022,725	\$ -	\$ 9,391,095	\$ 431,156
Cash received from sales taxes	-	-	1,455,345	1,455,345	-
Cash payments to suppliers and employees for goods and services	(1,356,256)	(3,874,961)	-	(5,231,217)	(1,103,080)
Cash received from (paid for) other activities	8,655	5,836	-	14,491	-
Net cash provided by (used in) operating activities	1,020,769	3,153,600	1,455,345	5,629,714	(671,924)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(635,485)	(848,613)	-	(1,484,098)	-
Proceeds from finance purchase agreement	541,533	-	-	541,533	-
Principal paid on capital-related debt	(416,768)	(1,891,276)	-	(2,308,044)	-
Interest paid on capital-related debt	(1,815)	(370,388)	-	(372,203)	-
Connection fees	19,533	29,959	-	49,492	-
Net cash (used in) capital and related financing activities	(493,002)	(3,080,318)	-	(3,573,320)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Grants	-	67,308	-	67,308	-
Interfund borrowings	90,431	89,690	-	180,121	8,395
Transfers in	97,280	1,342,536	-	1,439,816	729,985
Transfers (out)	(203,962)	(214,197)	(1,207,670)	(1,625,829)	-
Net cash provided by (used in) noncapital financing activities	(16,251)	1,285,337	(1,207,670)	61,416	738,380
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	27,138	22,089	30,728	79,955	-
Net cash provided by investing activities	27,138	22,089	30,728	79,955	-
Net change in cash and cash equivalents	538,654	1,380,708	278,403	2,197,765	66,456
CASH AND CASH EQUIVALENTS:					
Beginning of year	2,010,827	2,549,612	1,902,312	6,462,751	307,649
End of year	<u>\$ 2,549,481</u>	<u>\$ 3,930,320</u>	<u>\$ 2,180,715</u>	<u>\$ 8,660,516</u>	<u>\$ 374,105</u>
RECONCILIATION TO STATEMENT OF NET POSITION:					
Cash and investments	\$ 2,339,695	\$ 3,754,582	\$ 2,180,715	\$ 8,274,992	\$ 204,976
Restricted cash and cash equivalents	209,786	175,738	-	385,524	169,129
Total cash and cash equivalents	<u>\$ 2,549,481</u>	<u>\$ 3,930,320</u>	<u>\$ 2,180,715</u>	<u>\$ 8,660,516</u>	<u>\$ 374,105</u>

City of Placerville
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Major Funds			Total	Governmental
	Water	Sewer	Measure H		Activities
	Fund	Fund	Fund		Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH					
PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ (150,826)	\$ 2,606,971	\$ 1,446,014	\$ 3,902,159	\$ (800,761)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	352,514	1,658,338	-	2,010,852	-
Changes in operating assets and liabilities:					
Accounts receivable	762	(2,699)	9,331	7,394	(4,856)
Utility billings, net	(37,575)	(179,942)	-	(217,517)	-
Pension-related deferred outflows	(498,434)	(844,625)	-	(1,343,059)	-
OPEB-related deferred outflows	7,155	19,365	-	26,520	-
Accounts payable and accrued liabilities	42,613	315,404	-	358,017	18,133
Deposits payable	272	(118)	-	154	-
Claims and judgments payable	-	-	-	-	86,538
Total OPEB liability	29,075	50,880	-	79,955	-
Aggregate net pension liability	1,017,628	1,236,839	-	2,254,467	-
Pension-related deferred inflows	59,143	(2,145,723)	-	(2,086,580)	-
OPEB-related deferred inflows	198,442	438,910	-	637,352	-
Total adjustments	1,171,595	546,629	9,331	1,727,555	128,837
Net cash provided by (used in) operating activities	\$ 1,020,769	\$ 3,153,600	\$ 1,455,345	\$ 5,629,714	\$ (671,924)

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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Placerville
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

		Custodial Funds		
		Public Financing Authority Custodial Fund	Other Custodial Funds	Total
ASSETS				
Cash and investments		\$ 937,533	\$ 444,891	\$ 1,382,424
Receivables:				
Accounts		-	6,509	6,509
Interest		2,431	3,982	6,413
Total assets		<u>939,964</u>	<u>455,382</u>	<u>1,395,346</u>
LIABILITIES				
Accounts payable		-	82,630	82,630
		<u>-</u>	<u>82,630</u>	<u>82,630</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments		939,964	372,752	1,312,716
		<u>\$ 939,964</u>	<u>\$ 372,752</u>	<u>\$ 1,312,716</u>

City of Placerville
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial Funds		Total
	Public Financing Authority Custodial Fund	Other Custodial Funds	
ADDITIONS:			
Investment income	\$ 7,232	\$ 270	\$ 7,502
Fee and deposits collected for others	447,699	927,722	1,375,421
Total additions	<u>454,931</u>	<u>927,992</u>	<u>1,382,923</u>
DEDUCTIONS:			
Other	-	1,029,412	1,029,412
Total deductions	<u>-</u>	<u>1,029,412</u>	<u>1,029,412</u>
NET POSITION:			
Beginning of year	<u>485,033</u>	<u>474,172</u>	<u>959,205</u>
End of year	<u>\$ 939,964</u>	<u>\$ 372,752</u>	<u>\$ 1,312,716</u>

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

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City of Placerville
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For the Year Ended June 30, 2023

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City of Placerville
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Placerville, California, (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

A. Reporting Entity

The City was incorporated in 1854, as a municipal corporation operating under the general laws of the State of California. The City operates under a Council-Manager form of government and provides services including general government, public works, public safety, water, sewer treatment, and parks and recreation. Control or dependence is determined on the basis of budget adoption, selection of governing authority and designation of management, outstanding debt secured by revenues or general obligations of the City and ability to significantly influence operations.

The financial reporting entity, as defined by the GASB, consists of the primary government, the City, organizations for which the primary government is financially accountable, and any other organization for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The City Council acts as the governing body and is able to impose its will on the following organizations, establishing financial accountability:

Placerville Public Financing Authority (“Authority”) is a legal joint powers entity created by the City. The Authority’s Board of Directors is comprised of the City’s Council Members, City Manager, and Assistant City Manager/Director of Finance, and all accounting and administrative functions are performed by the City.

As a result, this organization is considered a component unit of the City and is included within the basic financial statements of the City using the blended method. The City does not issue separate audited financial statements for the Authority. However, separate financial information for this component unit can be obtained from the City’s Finance Department. All entities included in this financial statement maintain June 30th as their fiscal year-end.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position and the Balance Sheet of Governmental Funds report separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Government-Wide Financial Statements

The City's government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. (In the statement of activities, internal service fund transactions have been eliminated.) However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

Governmental Funds Financial Statements

Governmental Funds Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in Fund Balances as presented in these statements to the Net Position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

Governmental Fund Financial Statements are reported using the *current financial resources measurement focus and the modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded in the accounting period in which the related liability is incurred.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental Fund Financial Statements (Continued)

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *Transportation Development Special Revenue Fund* is used to account for revenues and expenditures associated with the administration of the Transportation Development Act Funds and transportation grants.

The *Measure J Special Revenue Fund* is used to account for revenues and expenditures associated with the administration of the 0.25% add on sales tax to supplement the City's police services.

The *Measure L Special Revenue Fund* is used to account for revenues and expenditures associated with the administration of the 0.50% add on sales tax to supplement the maintenance of the City's streets, sewer system, and water system.

The *Grants Special Revenue Fund* is used to account for revenues and expenditures associated with the administration of federal, state, and local grants received by the City.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

The City reports the following major proprietary funds:

The *Water Fund* is used for the operation and maintenance of a water system consisting of acquisition, distribution pipeline, and pumps. The fund collects all user fees and disburses all expenditures for this purpose. The fund also collects fees resulting from new growth. These funds will be used in the future to expand capacity of the water distribution system required due to growth.

The *Sewer Fund* is responsible for the treatment of industrial and domestic wastewater. The fund collects all user fees and disburses all expenditures for this purpose. The fund also collects fees resulting from new growth. These funds will be used in the future to expand capacity of the water reclamation facility and collection system required due to growth.

The *Measure H Fund* is used to account for revenues and expenses associated with the administration of the 0.25% add-on sales tax that augments the Water and Sewer Funds in paying for related debt and infrastructure replacement costs.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for services provided to other departments of the government, or to other governments, on a cost reimbursement basis. The City has an Internal Service Fund for general liability insurance, property insurance, unemployment insurance, and worker's compensation insurance.

Agency Funds are used to account for resources held by the government in a purely custodial capacity.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Property Taxes

Property taxes, special assessments, sales tax, licenses, intergovernmental revenues, investment earnings, charges for services and fines and penalties associated with the current fiscal year are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal year. Property taxes attach as an enforceable lien on property. Secured and unsecured property taxes are levied on July 1st. The unsecured and secured property tax lien date is January 1. Unsecured property taxes become delinquent on August 31st. Secured property taxes are payable in two installments, on November 1st and February 1st of each year, and become delinquent on December 10th and April 10th, respectively. The County of El Dorado, California (County) bills and collects the property taxes and remits them to the City according to a payment schedule established by the County. City property tax revenues are recognized when received in cash except at year-end when they are accrued pursuant to the modified accrual basis of accounting. The County is permitted by State law to levy property taxes at 1% of full market value (at time of purchase) and can increase property assessed value no more than 2% per year.

D. Cash, Cash Equivalents, and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

Certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

For purpose of the statement of cash flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all cash and investments with fiscal agent as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

F. Receivables

All receivables are shown net of an allowance for doubtful accounts. Service charges revenues (water and sewer) are recorded as billed to customers on a cyclical basis. All utility customers are billed bi-monthly.

G. Interfund Balances/Internal Balances

All other outstanding balances between funds are reported as due to and due from other funds. These are generally repaid within the following fiscal year.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as “internal balances.”

H. Compensated Absences

Amounts of vested or accumulated vacation, sick leave, compensatory time off, floating holidays, management leave, and related benefits on such compensation that are not expected to be liquidated with expendable available financial resources are reported in the Government-Wide Statement of Net Position. No expenditure is reported for these amounts in the Governmental Fund Financial Statements.

I. Capital Assets

Capital assets, which include land, buildings, building improvements, equipment, and infrastructure assets (e.g., streets, bridges, storm drains, sewer and water lines, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if historical cost is not available.

Donated capital assets are valued at their estimated acquisition value on the date donated. City policy has set the capitalization thresholds for reporting capital assets at the following:

General capital assets	\$ 5,000
Infrastructure capital assets	100,000

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

Depreciation has been provided on a straight-line basis over the following estimated useful lives:

Asset Class	Years
General Capital Assets:	
Building, Improvements	40
Improvements, other than Buildings	25
Furniture and Fixtures	5
Machinery and Equipment	5
Vehicles	5
Infrastructure:	
Water / Sewer Lines	25
Streets	40

J. Unearned/Unavailable Revenue

In the Government-Wide Financial Statements, unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the Government-Wide Financial Statements are long-term assessments, long-term loans receivable, and prepaid charges for services.

In the Fund Financial Statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which revenues have not been earned, or for which funds are not available to meet current financial obligations. Typical transactions for which unavailable revenue is recorded are grants received but not yet earned or available, interest on interfund advances receivable, long-term assessments and loans receivable.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 8). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The following timeframes are used for pension reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period:	July 1, 2021 to June 30, 2022

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Other Postemployment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s Retiree Benefits Plan (“OPEB Plan”) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan (Note 9). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2023
Measurement Period:	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

M. Long-Term Liabilities

In the Government-Wide Financial Statements and Proprietary Fund Financial Statements the long-term debt and other financed obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expenses when incurred.

In the Fund Financial Statements, proprietary fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Net Position and Fund Equity

Government-Wide Financial Statements and Proprietary Fund Financial Statements

In government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Net Position and Fund Equity (Continued)

Fund Financial Statements

In the governmental fund financial statements, fund balances are classified in the following categories:

Nonspendable: Items that cannot be spent because they are not in spendable form, such as land held for development, long term portions of receivables, inventories, prepaid items, and also items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

Restricted: Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed: Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City and all of its component units.

Assigned: Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has the authority to assign funds for the City of Placerville.

Unassigned: This category is for all balances that have no restrictions placed upon them. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amount that are restricted, committed or assigned to the purposes, it may be necessary to report a negative unassigned fund balance in that particular fund.

Spending Policy

For Government-Wide Financial Statements and Proprietary Fund Financial Statements, when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available, the City's policy is to apply restricted Net Position first.

For Governmental Fund Financial Statements, the City's policy is to spend restricted fund balances first, before spending unrestricted fund balances, for expenditures incurred for purposes for which both restricted and unrestricted fund balances are available, except for instances wherein a City ordinance or resolutions specifies the fund balance. The City's policy is that committed and assigned fund balances are considered to have been spent first before unassigned fund balances have been spent, when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used, except for instances wherein a City ordinance specifies the fund balance.

O. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Accounting Changes

Implementation of New GASB Pronouncements for the Year Ended June 30, 2023

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2023. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Implementation of this Statement did not have a significant effect on City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Implementation of this Statement did not have a significant effect on City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Implementation of this Statement did not have a significant effect on City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Implementation of this Statement did not have a significant effect on City's financial statements for the fiscal year ended June 30, 2023.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Accounting Changes (Continued)

Upcoming Government Accounting Standards Implementation

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 100

In June 2023, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the Authority’s fiscal year ending June 30, 2024.

GASB Statement No. 101

In June 2023, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the Authority’s fiscal year ending June 30, 2025.

GASB Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The statement also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the City’s fiscal year ending June 30, 2025. Earlier application is encouraged.

Note 2 – Cash and Investments

A. Summary of Cash and Investments

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2023:

	Primary Government			Fiduciary	
	Governmental Activities	Business-Type Activities	Total		
Cash and investments	\$ 9,405,211	\$ 8,274,992	\$ 17,680,203	\$ 1,382,424	\$ 19,062,627
Restricted cash and investments	7,190,797	-	7,190,797	-	7,190,797
Cash and investments with fiscal agent	604,078	385,524	989,602	-	989,602
Total	\$ 17,200,086	\$ 8,660,516	\$ 25,860,602	\$ 1,382,424	\$ 27,243,026

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

A. Summary of Cash and Investments (Continued)

Cash, cash equivalents, and investments, consisted of the following at June 30, 2023:

Cash and cash equivalents:	
Petty cash	\$ 3,395
Demand deposits	10,890,899
Investments:	
Local Agency Investment Fund	15,359,130
Money market funds	989,602
Total	\$ 27,243,026

B. Cash Deposits

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which the City invests to enhance interest earnings. The pooled interest earned is allocated to the funds quarterly, based on the average daily cash and investment balances in each fund.

At June 30, 2023, the carrying amount of the City’s deposits was \$10,890,899. Bank balances before reconciling items were \$10,798,127 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City’s name.

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the City’s cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on a quarterly basis to the various funds based on average daily cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

C. Investments

At June 30, 2023, cash and investments, excluding restricted cash and investments held by fiscal agent, consists of funds invested in the Local Agency Investment Fund (LAIF) and money market funds. These amounts are measured at amortized cost and not subject to the GASB 72 fair value hierarchy. The following table presents investments recognized in the accompanying statement of net position measured at amortized cost at June 30, 2023:

<u>Investment Type</u>	<u>Total as of June 30, 2023</u>	<u>Percentage of Investments</u>	<u>Measurement Inputs</u>
Local Agency Investment Fund	\$ 15,359,130	93.95%	Not applicable
Money market funds	989,602	6.05%	Not applicable
Total	\$ 16,348,732		

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

C. Investments (Continued)

The City is authorized by State statutes and in accordance with the City’s Investment Policy (Policy) to invest in the following:

- Bankers Acceptances
- California Local Agency Investment Fund (LAIF)
- Certificates of Deposit
- Commercial Paper (Corporations)
- County Pooled Funds
- Medium-Term Corporate Notes
- Money Market Accounts
- Mutual Funds
- Negotiable Certificates of Deposit
- Passbook Savings and Demand Deposits Accounts
- Repurchase Agreements collateralized by U.S. Securities or U.S. Government Federal Agencies
- Reverse Purchase Agreements
- U.S. Treasury Securities

The Policy, in addition to State statutes, establishes that funds on deposit in banks must be federally insured or collateralized and investments shall (1) have maximum maturity not to exceed five years, (2) be laddered and based on cash flow forecasts; and (3) be subject to limitations to a certain percent of the portfolio for each of the authorized investments. The City’s investments comply with the established policy.

The City’s portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise.

The portfolio, for year-end reporting purposes, is treated as if it were all sold. Therefore, fund balance reflects the portfolio’s change in value. These portfolio value changes are unrealized unless sold. The City’s policy is to buy and hold investments until their maturity dates.

Investments held by Fiscal Agent. The investments held by fiscal agents in the amount of \$989,602 are to be used only for specific capital outlay, payments of certain long-term debt and maintaining required reserves. These funds have been invested only as permitted by specific State statutes governing their investment or applicable City ordinances, resolutions, or bond indentures.

D. Risk Disclosures

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, the greater the sensitivity its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. At June 30, 2023, the City’s pooled cash and investments had the following maturities:

	Amount	Maturities 1 year or less
Cash and cash equivalents:		
Petty cash	\$ 3,395	\$ 3,395
Demand deposits	10,890,899	10,890,899
Investments:		
Local Agency Investment Fund	15,359,130	15,359,130
Money market funds	989,602	989,602
Total	\$ 27,243,026	\$ 27,243,026

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

D. Risk Disclosures (Continued)

Credit Risk is the risk of loss due to failure of the security issuer. The risk can be identified thru the rating assigned by a nationally recognized statistical rating organization to the issuers of securities. The City minimizes this risk by investing only on type of investments allowed for municipalities by the Government Code as listed on the City’s investment policy and investing only on instruments that are most credit worthy.

	Amount	Credit Quality Ratings	
		Moody's	Standard & Poor's
Investments:			
Local Agency Investment Fund	\$ 15,359,130	Not Rated	Not Rated
Money market funds	989,602	Not Rated	Not Rated
Total	\$ 16,348,732		

According to the City’s investment policy, the aggregate investment in medium-term notes should not exceed 10% of the City’s total portfolio.

Federal instrumentalities must have a rating of AAA or the equivalent by a NRSRO at the time of purchase. The Local Agency Investment Fund (LAIF), administered by the State of California, has a separate investment policy, governed by Government Code Sections 16480-16481.2, that provides credit standards for its investments.

The City’s investments (excluding investments held by fiscal agents) are only in Local Agency Investment Fund which is not rated by a NRSRO.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the City’s investments in securities are held in the name of the City. The City’s custodial agreement policy prohibits counterparties holding securities not in the City’s name.

E. Investments in Local Agency Investment Fund

The City’s investments with Local Agency Investment Funds (LAIF) at June 30, 2023, included a portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO’s) or credit card receivables.

As of June 30, 2023, the City had \$15,359,130 invested in LAIF, which had invested 1.46% of the pooled investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 0.984828499 was used to calculate the fair value of the investments in LAIF.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Loans Receivable

At June 30, 2023, the City had the following loans receivable and related unavailable revenue:

	Loans Receivable Balance June 30, 2023	Allowance for Doubtful Accounts Balance June 30, 2023	Financial Statement Balance June 30, 2023	Unavailable Revenue Balance June 30, 2023
Housing Loans	\$ 671,715	\$ -	\$ 671,715	\$ 671,715
Mallard Lane Apartments LP Loans	1,454,735	(1,454,735)	-	-
Middletown Road Apartments LP Loans	1,656,782	(1,656,782)	-	-
Total	\$ 3,783,232	\$ (3,111,517)	\$ 671,715	\$ 671,715

The City administers the first time homebuyer, housing rehabilitation, and small business loan programs funded with various grants (i.e. CDBG, HOME, CalHome, NSP, etc.). Under these programs, individuals with incomes below certain levels are eligible to receive low interest loans. These low-interest loans are secured by deeds of trust on the properties. Maturities vary according to terms and disposition of property. Deferred payment loans receivable under these forgivable loans are not required to be paid back unless the participating homeowner sells, transfers title to the property, or discontinues residence in the dwelling at which time the full amount of the deferred loan is due. These deferred payment loans are “nonperforming loans” and are not recorded as loans receivable in the financial statements. These low interest-bearing loans are secured by deeds of trust.

On September 13, 2022, the City entered in a loan agreement with Rural Community Assistance Corporation (RCAC) for a short-term loan in the amount of \$1,540,000 plus closing costs from the RCAC for land acquisition for the Mallard and Middletown affordable apartment projects and authorize the City Manager to execute the same and any other related documents. The purpose of this loan is to provide for a short-term “bridge loan” between escrow closings and reimbursement from the California Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) to facilitate the acquisition of real property for the Mallard and Middletown affordable apartment projects. The loan was paid in full on March 17, 2023.

Note 4 – Interfund Transactions

A. Due From and To Other Funds

At June 30, 2023, the City had the following short-term interfund receivables and payables:

Due From	Due To		
	Governmental Activities		
	Transportation Development	Grants	Total
Governmental Activities			
General Fund	\$ 191,476	\$ 10,546	\$ 202,022
Business-Type Activities			
Water Fund	47,292	-	47,292
Sewer Fund	47,123	-	47,123
Totals	\$ 285,891	\$ 10,546	\$ 296,437

These balances resulted from short-term loans used to cover operating cash deficits at year-end. These amounts will be repaid in the following fiscal year.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Interfund Transactions (Continued)

B. Long-Term Advances

At June 30, 2023, the City had the following long-term interfund advances:

Advances to Other Funds			
Governmental Activities			
Advances From Other Funds	Transportation Development	Non-Major	Total
Governmental Activities			
General Fund	\$ 1,730,000	\$ -	\$ 1,730,000
Internal Service Fund	585,253	117,762	703,015
Totals	<u>\$ 2,315,253</u>	<u>\$ 117,762</u>	<u>\$ 2,433,015</u>

These balances resulted from long-term loans used to cover operating cash deficits at year-end. These amounts will be repaid with future revenues.

C. Transfers In and Out

For the year ended June 30, 2023, the City had the following transfers:

Transfers In									
	Governmental Activities						Business-Type Activities		Total
	General	Transportation Development	Measure J	Grants	Non-Major	Internal Service	Water	Sewer	
Transfers Out									
Governmental Activities									
General Fund	\$ -	\$ -	\$ 60,000	\$ 392,584	\$ 237,529	\$ 322,060	\$ -	\$ -	\$ 1,012,173
Measure L Fund	-	959,240	-	-	-	-	69,639	162,507	1,191,386
Grants Fund	84,434	-	-	-	-	-	-	-	84,434
Non-Major Funds	300,091	192,450	-	-	-	-	-	-	492,541
Business-Type Activities									
Water Fund	-	-	-	-	-	203,962	-	-	203,962
Sewer Fund	-	10,234	-	-	-	203,963	-	-	214,197
Measure H Fund	-	-	-	-	-	-	27,641	1,180,029	1,207,670
Totals	<u>\$ 384,525</u>	<u>\$ 1,161,924</u>	<u>\$ 60,000</u>	<u>\$ 392,584</u>	<u>\$ 237,529</u>	<u>\$ 729,985</u>	<u>\$ 97,280</u>	<u>\$ 1,342,536</u>	<u>\$ 4,406,363</u>

Transfers are contributions to other funds to finance various programs in accordance with budgetary authorizations.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 5 – Capital Assets

A. Government-Wide Financial Statements

At June 30, 2023, the City’s capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-Depreciable Assets:			
Land and improvements	\$ 12,959,322	\$ 2,328,974	\$ 15,288,296
Construction in progress	35,211,521	6,590,089	41,801,610
Total non-depreciable assets	<u>48,170,843</u>	<u>8,919,063</u>	<u>57,089,906</u>
Depreciable Assets:			
Building and structures	12,892,021	74,391,284	87,283,305
Machinery and equipment	4,002,108	1,456,772	5,458,880
Infrastructure	15,436,672	54,331,555	69,768,227
	<u>32,330,801</u>	<u>130,179,611</u>	<u>162,510,412</u>
Less accumulated depreciation	<u>(13,825,559)</u>	<u>(77,008,632)</u>	<u>(90,834,191)</u>
Total depreciable assets, net	<u>18,505,242</u>	<u>53,170,979</u>	<u>71,676,221</u>
Total capital assets	<u>\$ 66,676,085</u>	<u>\$ 62,090,042</u>	<u>\$ 128,766,127</u>

In fiscal year ended June 30, 2023, the City counted, valued and reported its capital assets, including infrastructure for its governmental activities and business-type activities, as shown in the following tables.

Governmental Activities

The following is a summary of changes in capital assets for governmental activities for the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Non-Depreciable Assets:					
Land and improvements	\$ 12,959,322	\$ -	\$ -	\$ -	\$ 12,959,322
Construction in progress	31,418,292	3,793,229	-	-	35,211,521
Total non-depreciable assets	<u>44,377,614</u>	<u>3,793,229</u>	<u>-</u>	<u>-</u>	<u>48,170,843</u>
Depreciable Assets:					
Building and structures	12,892,021	-	-	-	12,892,021
Machinery and equipment	3,583,932	418,176	-	-	4,002,108
Infrastructure	15,436,672	-	-	-	15,436,672
Total depreciable assets	<u>31,912,625</u>	<u>418,176</u>	<u>-</u>	<u>-</u>	<u>32,330,801</u>
Less accumulated depreciation	<u>(13,161,718)</u>	<u>(663,841)</u>	<u>-</u>	<u>-</u>	<u>(13,825,559)</u>
Total depreciable assets, net	<u>18,750,907</u>	<u>(245,665)</u>	<u>-</u>	<u>-</u>	<u>18,505,242</u>
Total capital assets	<u>\$ 63,128,521</u>	<u>\$ 3,547,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,676,085</u>

Depreciation expense in governmental activities for capital assets for the year ended June 30, 2023 was as follows:

General government	\$ 155,433
Public safety	128,622
Highways and street	342,094
Community Development	669
Parks and recreation	37,023
Total	<u>\$ 663,841</u>

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 5 – Capital Assets (Continued)

A. Government-Wide Financial Statements (Continued)

Business-Type Activities

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Reclassifications/ Transfers	Balance June 30, 2023
Non-Depreciable Assets:					
Land and improvements	\$ 2,328,974	\$ -	\$ -	\$ -	\$ 2,328,974
Construction in progress	5,665,225	924,864	-	-	6,590,089
Total non-depreciable assets	<u>7,994,199</u>	<u>924,864</u>	<u>-</u>	<u>-</u>	<u>8,919,063</u>
Depreciable Assets:					
Building and structures	74,391,284	-	-	-	74,391,284
Machinery and equipment	1,439,071	17,701	-	-	1,456,772
Infrastructure	54,331,555	-	-	-	54,331,555
Total depreciable assets	130,161,910	17,701	-	-	130,179,611
Less accumulated depreciation	(74,997,780)	(2,010,852)	-	-	(77,008,632)
Total depreciable assets, net	<u>55,164,130</u>	<u>(1,993,151)</u>	<u>-</u>	<u>-</u>	<u>53,170,979</u>
Total capital assets	<u>\$ 63,158,329</u>	<u>\$ (1,068,287)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,090,042</u>

Business-type activities depreciation expense for capital assets for the year ended June 30, 2023, were as follows:

Water	\$ 352,514
Sewer	<u>1,658,338</u>
Total	<u>\$ 2,010,852</u>

B. Fund Financial Statements

The fund financial statements do not present general government capital assets but they are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. The capital assets of the enterprise funds in the Proprietary Fund Financial Statements are the same as those shown in the business-type activities of the Government-Wide Financial Statements. Internal Service Funds' capital assets are combined with governmental activities.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Long-Term Debt

A. Government-Wide Financial Statements

Following is a summary of all long-term debt balances at June 30, 2023:

	Governmental Activities	Business-Type Activities	Total
Long-term debt, due within one year	\$ 143,404	\$ 2,197,927	\$ 2,341,331
Noncurrent portion of long-term debt			
2006 State Revolving Loan	-	24,649,695	24,649,695
2015 Equipment Lease	32,725	29,366	62,091
2019 Equipment Lease	-	-	-
2019 CEC Loan	431,367	139,843	571,210
2022 Sewer Revenue Bonds	-	14,110,700	14,110,700
2023 Equipment Finance Purchase	399,432	271,940	671,372
Total noncurrent portion of long-term debt	863,524	39,201,544	40,065,068
Total long-term debt	\$ 1,006,928	\$ 41,399,471	\$ 42,406,399

Governmental Activities

Following is a summary of governmental activity long-term debt transactions during the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due within one year	Due in more than one year
2015 Equipment Finance Purchase	\$ 103,370	\$ -	\$ 34,805	\$ 68,565	\$ 35,840	\$ 32,725
2019 Equipment Finance Purchase	70,625	-	35,212	35,413	35,413	-
2019 CEC Loan	528,217	-	60,216	468,001	36,634	431,367
2023 Equipment Finance Purchase	-	434,949	-	434,949	35,517	399,432
Total	\$ 702,212	\$ 434,949	\$ 130,233	\$ 1,006,928	\$ 143,404	\$ 863,524

Business-Type Activities

Following is a summary of business-type activity long-term debt transactions during the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due within one year	Due in more than one year
2006 State Revolving Loan	\$ 27,706,957	\$ -	\$ 1,528,631	\$ 26,178,326	\$ 1,528,631	\$ 24,649,695
2015 Equipment Finance Purchase	77,572	-	23,750	53,822	24,456	29,366
2019 Equipment Finance Purchase	37,594	-	18,168	19,426	19,426	-
2019 CEC Loan	164,159	-	12,078	152,081	12,238	139,843
2022 Sewer Revenue Bonds	15,179,700	-	480,000	14,699,700	589,000	14,110,700
2023 Equipment Finance Purchase	-	296,116	-	296,116	24,176	271,940
Total	\$ 43,165,982	\$ 296,116	\$ 2,062,627	\$ 41,399,471	\$ 2,197,927	\$ 39,201,544

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Long-Term Debt (Continued)

A. Government-Wide Financial Statements (Continued)

Finance Purchase Agreements

In February 2015, the City secured a finance purchase agreement in the amount of \$706,518 in order to finance 13 pieces of equipment ranging from a folder/inserter machine to a street sweeper truck. The interest rate for equipment with a five-year useful life is 2.65% and equipment with a ten-year useful life is 3.00%. The finance purchase agreement payable is allocated between the governmental activities, 59.44%, and business-type activities, 40.56%. Net revenues from the General Fund, Sewer Enterprise Fund, and Water Enterprise Fund have been pledged for the lease payments. The 13 pieces of equipment that were purchased with the lease proceeds are secured in the borrowing, and should a default in payment occur or budget appropriations fail to be made for the annual lease payments, the said equipment could be repossessed. Principal and interest payments are due in August and February each year. The annual debt service requirements for the 2015 Equipment Finance Purchase are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 60,296	\$ 3,171	\$ 63,467
2025	62,091	1,378	63,469
Total	<u>\$ 122,387</u>	<u>\$ 4,549</u>	<u>\$ 126,936</u>

In February 2019, the City secured a finance purchase agreement in the amount of \$257,862 in order to finance 12 pieces of equipment ranging from a network printers to a pickup trucks. The annual interest rate 3.16%. The finance purchase agreement payable is allocated between the governmental activities, 65.54%, and business-type activities, 34.46%. Principal and interest payments are due in October and April each year. Net revenues from the General Fund, Sewer Enterprise Fund, and Water Enterprise Fund have been pledged for the lease payments. The 12 pieces of equipment that were purchased with the lease proceeds are secured in the borrowing, and should a default in payment occur or budget appropriations fail to be made for the annual lease payments, the said equipment could be repossessed. The annual debt service requirements for the 2019 Equipment Finance Purchase are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 54,839	\$ 1,292	\$ 56,131
Total	<u>\$ 54,839</u>	<u>\$ 1,292</u>	<u>\$ 56,131</u>

In January 2023, the City secured a finance purchase agreement in the amount of \$731,065 in order to finance 12 pieces of equipment ranging from software to a vacuum truck. The annual interest rate 4.38%. The finance purchase agreement payable is allocated between the governmental activities, 59.44%, and business-type activities, 40.56%. Principal and interest payments are due in January and July each year. Net revenues from the General Fund, Sewer Enterprise Fund, and Water Enterprise Fund have been pledged for the lease payments. The 12 pieces of equipment that were purchased with the lease proceeds are secured in the borrowing, and should a default in payment occur or budget appropriations fail to be made for the annual lease payments, the said equipment could be repossessed. The annual debt service requirements for the 2023 Equipment Finance Purchase are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 59,693	\$ 31,374	\$ 91,067
2025	62,336	28,731	91,067
2026	65,096	25,971	91,067
2027	67,979	23,088	91,067
2028	70,989	20,078	91,067
2029-2033	404,972	50,364	455,336
Total	<u>\$ 731,065</u>	<u>\$ 179,606</u>	<u>\$ 910,671</u>

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Long-Term Debt (Continued)

A. Government-Wide Financial Statements (Continued)

Business-Type Activities (Continued)

Finance Purchase Agreements (Continued)

The City entered into three finance-purchase agreements whereby the lessor acquired certain capital assets and leased them to the City with the option to purchase. The finance-purchased assets are included in capital assets and are summarized by major asset class below:

Unspent finance purchase proceeds	\$	1,695,445
Machinery and equipment	\$	1,695,445
Accumulated depreciation		<u>(727,090)</u>
Assets under finance purchase agreement	\$	<u><u>968,355</u></u>

Sewer Revenue Bonds Payable

On March 14, 2006, the Placerville PFA issued the Series 2006 Wastewater System Refinancing and Improvement Project Revenue Bonds in the amount of \$17,215,000 pursuant to an Indenture by and between the Placerville PFA and Union Bank of California, N.A. as Trustee. A portion of the proceeds from the Bonds were used to refinance the Series 1994 Sewer Revenue Refunding and Phase II Improvement Bonds. The remainder of the Bond proceeds were used to partially finance State mandated improvements to the City’s Wastewater Treatment Plant, relocate and replace a section of sewer line along Hangtown Creek, and construct other capital projects related to the Wastewater System.

On May 1, 2022, the City Council issued the 2022 Wastewater Revenue Refunding Bonds and refinanced the Series 2006 Wastewater System Refinancing and Improvement Project Revenue Bonds. The 2022 Wastewater Revenue Refunding Bonds are payable solely from wastewater net revenues and are payable through 2034. The total remaining principal to be paid on the bonds is \$14,699,700. Principal payments are due September 1 of each year beginning in 2022 and interest payments at a rate of 2.99% are due March 1 and September 1 of each year.

The 2022 Wastewater Revenue Refunding Bonds are secured by and payable from net revenues from the City's Sewer Enterprise Fund, amounts that are derived from user rates collected by the City for wastewater collection and treatment services. Application of amounts in the enterprise fund is governed by the requirements of Article XIID, Section 6 of the California Constitution, which provides that the enterprise fund may only be used for the wastewater enterprise and may not be used for general governmental purposes.

Net revenues from the Sewer Enterprise Fund are pledged toward settlement payments with the Bond insurer for the 2022 Bonds. There is a covenant to set rates such that they will provide net coverage for Operation and Maintenance of 1.20% coverage. The City is in compliance with its covenants in connection with its obligations, including covenants on the current rates and charges, and the Sewer Enterprise Fund has sufficient revenues to meet the operation and maintenance costs of the wastewater utility, scheduled debt service, and required debt service coverage.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Long-Term Debt (Continued)

A. Government-Wide Financial Statements (Continued)

Business-Type Activities (Continued)

Revenue Bonds Payable (Continued)

Events of default with finance related consequences are included in section 8.01 of the indenture for the bond. In the event of unresolved payment default, the Trustee would pull from funds on hand under the separate section of the agreement, and then upon court order from net revenues of the system held by the City.

The annual debt service requirements for the Series 2022 Wastewater Revenue Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 589,000	\$ 430,715	\$ 1,019,715
2025	711,700	411,270	1,122,970
2026	837,000	388,117	1,225,117
2027	962,500	361,214	1,323,714
2028	1,087,100	330,573	1,417,673
2029-2033	7,197,400	1,060,987	8,258,387
2034-2035	3,315,000	99,851	3,414,851
Total	<u>\$ 14,699,700</u>	<u>\$ 3,082,727</u>	<u>\$ 17,782,427</u>

Loans

In 2006, the City secured a State Revolving Loan in the amount of \$42,864,638 with an interest rate of 0.00% to partially finance improvements to the Wastewater Treatment Plant in order to comply with State mandated requirements at that time. The loan is payable solely from wastewater net revenues and are payable through 2040. Annual principal payments on the loan for the fiscal year ended June 30, 2023, required 36.84% of net revenues. The total remaining principal to be paid on the loan is \$26,178,326. Principal paid for the current year and total net revenues were \$1,528,631 and \$4,265,309 respectively. Principal payments are due in September and March of each year. The City pledged Sewer Enterprise Fund net revenues as collateral for the loan. There is a covenant to set rates such that they will provide net coverage for Operation and Maintenance of 1.20% coverage. The City is in compliance with its covenants in connection with its obligations, including covenants on the current rates and charges, and the Sewer Enterprise Fund has sufficient revenues to meet the operation and maintenance costs of the wastewater utility, scheduled debt service, and required debt service coverage. The annual debt service requirements for the 2006 State Revolving Loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,528,631	\$ -	\$ 1,528,631
2025	1,528,631	-	1,528,631
2026	1,528,631	-	1,528,631
2027	1,528,631	-	1,528,631
2028	1,528,631	-	1,528,631
2029-2033	7,643,156	-	7,643,156
2034-2038	7,643,156	-	7,643,156
2039-2040	3,248,859	-	3,248,859
Total	<u>\$ 26,178,326</u>	<u>\$ -</u>	<u>\$ 26,178,326</u>

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Long-Term Debt (Continued)

A. Government-Wide Financial Statements (Continued)

Business-Type Activities (Continued)

Loans (Continued)

On July 29, 2019, the City secured a California Energy Commission (CEC) Loan in the amount of \$732,846 with an interest rate of 1.00% to finance interior and exterior lighting and heating and cooling improvements to various City facilities in order to achieve greater energy efficiency. The loan is payable through 2035. The loan payable is allocated between the governmental activities, 74.69%, and business-type activities, 25.31%. Principal and interest payments are due in June and December each year. The City pledged savings in energy costs or other legally available funds from the General Fund, Parking District Fund, and the Sewer Enterprise Fund as collateral for the loan. The loan is secured by the lighting and HVAC equipment that was financed by the loan. A default on the loan would require immediate payment of the remaining loan balance. The annual debt service requirements for the 2019 CEC loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 48,872	\$ 6,096	\$ 54,968
2025	49,378	5,589	54,967
2026	49,873	5,094	54,967
2027	50,373	4,594	54,967
2028	50,868	4,100	54,968
2029-2033	262,140	12,698	274,838
2034-2035	108,578	1,362	109,940
Total	<u>\$ 620,082</u>	<u>\$ 39,533</u>	<u>\$ 659,615</u>

Annual debt service requirements for all bonds, loans, and finance purchase agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,341,051	\$ 472,648	\$ 2,813,699
2025	2,414,136	446,968	2,861,104
2026	2,480,600	419,182	2,899,782
2027	2,609,483	388,896	2,998,379
2028	2,737,588	354,751	3,092,339
2029-2033	15,507,668	1,124,049	16,631,717
2034-2038	11,066,731	101,207	11,167,938
2039-2040	3,249,142	-	3,249,142
Total	<u>\$ 42,406,399</u>	<u>\$ 3,307,701</u>	<u>\$ 45,714,100</u>

B. Fund Financial Statements

The fund financial statements do not present general government long-term debt but it is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Compensated Absences

The City records a liability to recognize the financial effect of unused vacation and other compensated leaves. The total of vacation and other compensated leaves is \$1,093,115. The City primarily uses the General Fund to liquidate compensated absences.

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Classification	
					Due within one year	Due in more than one year
Governmental Activities:						
Compensated Absences	\$ 1,037,787	\$ 468,367	\$ (413,039)	\$ 1,093,115	\$ 341,934	\$ 751,181

Note 8 – Public Employees’ Retirement System

The following is a summary of net pension liabilities and related deferred outflows and inflows of resources as of June 30, 2023:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 914,719	\$ 553,977	\$ 1,468,696
CalPERS Safety	972,483	-	972,483
Total pension contribution made after measurement date	<u>1,887,202</u>	<u>553,977</u>	<u>2,441,179</u>
Change in assumption:			
CalPERS Miscellaneous	909,418	550,767	1,460,185
CalPERS Safety	932,873	-	932,873
Total change in assumption	<u>1,842,291</u>	<u>550,767</u>	<u>2,393,058</u>
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	1,625,645	984,531	2,610,176
CalPERS Safety	1,461,006	-	1,461,006
Total projected earnings on pension plan investments in excess of actual earnings	<u>3,086,651</u>	<u>984,531</u>	<u>4,071,182</u>
Adjustment due to difference in proportions:			
CalPERS Safety	144,230	-	144,230
Total adjustment due to difference in proportions	<u>144,230</u>	<u>-</u>	<u>144,230</u>
Difference between expected and actual experience:			
CalPERS Miscellaneous	58,859	35,644	94,503
CalPERS Safety	282,435	-	282,435
Total difference between expected and actual experience	<u>341,294</u>	<u>35,644</u>	<u>376,938</u>
Employer contributions in excess of proportionate share of contribution:			
CalPERS Miscellaneous	120,361	72,894	193,255
Total employer contributions in excess of proportionate share of contribution	<u>120,361</u>	<u>72,894</u>	<u>193,255</u>
Total deferred outflows of resources:			
CalPERS Miscellaneous	3,629,002	2,197,813	5,826,815
CalPERS Safety	3,793,027	-	3,793,027
Total deferred outflows of resources	<u>\$ 7,422,029</u>	<u>\$ 2,197,813</u>	<u>\$ 9,619,842</u>

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Public Employees’ Retirement System (Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net pension liabilities:			
CalPERS Miscellaneous	\$ 8,874,895	\$ 5,374,855	\$ 14,249,750
CalPERS Safety	9,251,912	-	9,251,912
Total net pension liabilities	<u>\$ 18,126,807</u>	<u>\$ 5,374,855</u>	<u>\$ 23,501,662</u>
Deferred inflows of Resources:			
Adjustment due to difference in proportions:			
CalPERS Miscellaneous	\$ 1,541,413	933,517	\$ 2,474,930
Total adjustment due to difference in proportions	<u>1,541,413</u>	<u>933,517</u>	<u>2,474,930</u>
Employer contributions in excess of proportionate share of contribution:			
CalPERS Safety	531,816	-	531,816
Total employer contributions in excess of proportionate share of contribution	<u>531,816</u>	<u>-</u>	<u>531,816</u>
Total deferred inflows of resources:			
CalPERS Miscellaneous	1,541,413	933,517	2,474,930
CalPERS Safety	531,816	-	531,816
Total deferred inflows of resources	<u>\$ 2,073,229</u>	<u>\$ 933,517</u>	<u>\$ 3,006,746</u>
Pension expenses (credits):			
CalPERS Miscellaneous	\$ (2,536,717)	\$ (1,196,789)	\$ (3,733,506)
CalPERS Safety	(263,978)	-	(263,978)
Total net pension expenses (credits)	<u>\$ (2,800,695)</u>	<u>\$ (1,196,789)</u>	<u>\$ (3,997,484)</u>

Pension Plans

Plan Description

Substantially all City employees working the equivalent of 1,000 hours or more per fiscal year are required to participate in the Miscellaneous Classic, Safety Classic, Miscellaneous Second-Tier, Safety Second-Tier, Miscellaneous PEPRA or Safety PEPRA cost-sharing multiple employer defined benefit plans administered by California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. The Classic Plans are closed to new entrants only eligible for employees hired prior to January 1, 2013. Employees hired after January 1, 2013 are eligible to enroll in the PEPRA plans. Benefit Provisions under the Plans are established by State statutes within the Public Employee’s Retirement Law. 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. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic safety and miscellaneous CalPERS member becomes eligible for Service Retirement upon attainment of age 50 and 55, respectively, with at least 5 years of credited service. Public Employee Pension Reform Act (PEPRA) safety and miscellaneous members become eligible for service retirement upon attainment of age 57 and 62, respectively, with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member’s highest 36 full-time equivalent monthly pay.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Public Employees’ Retirement System (Continued)

Pension Plans (Continued)

Plan Description (Continued)

Retirement benefits for classic safety and miscellaneous employees are calculated as 3% and 2.5 %, respectively, of the average final 36 months compensation. Retirement benefits for PEPRA safety and miscellaneous employees are calculated as 2.7% and 2%, respectively, of the average final 36 months compensation.

Participant is eligible for non-industrial disability retirement if becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service.

Employees Covered by Benefit Terms

At June 30, 2022 measurement date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Miscellaneous		Safety	Safety	
	Miscellaneous	Second Tier	PEPRA	Safety	Second Tier	PEPRA
Active employees	17	3	41	4	1	13
Transferred and terminated employees	49	11	23	22	3	5
Retired employees and beneficiaries	95	4	5	59	1	3
Total	<u>161</u>	<u>18</u>	<u>69</u>	<u>85</u>	<u>5</u>	<u>21</u>

Benefits Provided

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5% per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 36 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee’s retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Public Employees’ Retirement System (Continued)

Pension Plans (Continued)

Benefits Provided (Continued)

Following are the benefit provisions for each plan:

	<u>Miscellaneous</u>	<u>Miscellaneous Second Tier</u>	<u>Miscellaneous PEPRA</u>	<u>Safety</u>	<u>Safety Second Tier</u>	<u>Safety PEPRA</u>
Benefit formula	2.5% @ 55	2.0% @ 55	2.0% @ 62	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	55	62	50	55	50-57
Monthly benefits, as a % of						
eligible compensation	2.5%	2.0%	2.0%	3.0%	3.0%	2.7%
Required employee contribution rate	8.000%	7.000%	7.000%	9.000%	9.000%	13.000%
Required employer contribution rate	11.900%	10.630%	7.560%	22.470%	20.640%	12.780%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) 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. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the plan’s employer contributions made for each Plan was as follows:

Miscellaneous	\$ 1,468,696
Safety	972,483
	<u>\$ 2,441,179</u>

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

The City’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Public Employees’ Retirement System (Continued)

Pension Plans (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Miscellaneous			
Balance at: 6/30/21 (Valuation date)	35,544,963	25,810,596	9,734,367
Balance at: 6/30/22 (Measurement date)	37,822,606	23,572,856	14,249,750
Net changes during 2021-2022	2,277,643	(2,237,740)	4,515,383
Safety			
Balance at: 6/30/21 (Valuation date)	26,839,397	21,377,402	5,461,995
Balance at: 6/30/22 (Measurement date)	29,016,625	19,764,713	9,251,912
Net changes during 2021-2022	2,177,228	(1,612,689)	3,789,917
Total net changes during 2021-2022	4,454,871	(3,850,429)	8,305,300

The City’s net pension liability/(asset) for each Plan is measured as the proportionate share of the net pension liability/(asset). The net pension liability/(asset) of each of the Plans is measured as of June 30, 2022, and the total pension liability/(asset) for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City’s proportion of the net pension liability/(asset) was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability/(asset) for each Plan as of June 30, 2021 and 2022 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion - June 30, 2021	0.51266%	0.15564%	0.66829%
Proportion - June 30, 2022	0.30453%	0.13464%	0.43917%
Change - Increase/(Decrease)	-0.20813%	-0.02099%	-0.22912%

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Public Employees’ Retirement System (Continued)

Pension Plans (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

For the year ended June 30, 2023, the City recognized pension credit of \$(3,733,506) and \$(263,978), for the Miscellaneous and Safety plans, respectively. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plans		
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 1,468,696	\$ -
Difference between projected and actual earning on pension plan investments	2,610,176	-
Adjustment due to differences in proportions	-	2,474,930
Changes in assumptions	1,460,185	-
Difference between actual and expected experience	94,503	-
Difference between employer's actual contributions and proportionate share of contributions	193,255	-
Total	<u>\$ 5,826,815</u>	<u>\$ 2,474,930</u>
Safety Plans		
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 972,483	\$ -
Difference between projected and actual earning on pension plan investments	1,461,006	-
Adjustment due to differences in proportions	144,230	-
Changes in assumptions	932,873	-
Difference between actual and expected experience	282,435	-
Difference between employer's actual contributions and proportionate share of contributions	-	531,816
Total	<u>\$ 3,793,027</u>	<u>\$ 531,816</u>
Aggregate Total		
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 2,441,179	\$ -
Difference between projected and actual earning on pension plan investments	4,071,182	-
Adjustment due to differences in proportions	144,230	2,474,930
Changes in assumptions	2,393,058	-
Difference between actual and expected experience	376,938	-
Difference between employer's actual contributions and proportionate share of contributions	193,255	531,816
Total	<u>\$ 9,619,842</u>	<u>\$ 3,006,746</u>

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Public Employees’ Retirement System (Continued)

Pension Plans (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

For the Miscellaneous Plan and Safety Plan, \$1,468,696 and \$972,483, respectively, was reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the next measurement period (June 30, 2023). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Miscellaneous Plans</u>	<u>Safety Plans</u>	<u>Total</u>
2024	\$ 207,712	\$ 632,381	\$ 840,093
2025	83,816	491,416	575,232
2026	(4,812)	273,698	268,887
2027	1,596,473	891,232	2,487,705
	<u>\$ 1,883,189</u>	<u>\$ 2,288,728</u>	<u>\$ 4,171,917</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality Rate Table	Derived using CalPERS’ Membership Data for all Funds. 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.
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of December 2021 actuarial experience study for the period 2000 to 2019. Further details of the Experiences Study can be found on the CalPERS website.

Change in Assumptions

The discount rate lowered from 7.15% in 2022 to 6.90% in 2023. The inflation rate lowered from 2.50% in 2022 to 2.30% in 2023. The payroll growth increased from 2.75% in 2022 to 2.80% in 2023. The investment rate of return lowered from 7.25% in 2022 to 7.00% in 2023. In the prior year, the actuarial report did not have any changes in assumptions.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Public Employees’ Retirement System (Continued)

Pension Plans (Continued)

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

Discount Rate

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) 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 was 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 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 geometric rates of return are net of administrative expenses.

Asset Class¹	Assumed Asset Allocation	Real Return Years 1-10²
Global Equity	30.00%	4.45%
Global Equity	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
Private Debt	5.00%	3.57%
Liquidity	-5.00%	-0.59%

¹In the CalPERS’ ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

²An expected inflation of 2.30% used for this period

The discount rate used to measure the total pension liability was 6.90% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 Section.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Public Employees’ Retirement System (Continued)

Pension Plans (Continued)

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

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

The following presents the City’s proportionate share of the net position liability for the Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(5.90%)	Rate (6.90%)	(7.90%)
Miscellaneous	\$ 19,405,653	\$ 14,249,750	\$ 10,007,721
Safety	\$ 13,259,063	\$ 9,251,912	\$ 5,976,972
Total	\$ 32,664,716	\$ 23,501,662	\$ 15,984,693

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2023, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2023.

Deferred Compensation Plan

In 1983, the City established a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plans permit all eligible employees to execute an individual agreement with the City for amounts earned by them, to be paid at a future date when certain circumstances are met. These circumstances include termination by reason of retirement, death, disability or other events as provided for in the Plans. Employees may contribute up to \$22,500 of their annual compensation into the deferred compensation plan.

During the fiscal year ended June 30, 1999, the City amended its deferred compensation plan to comply with subsection (g) of the Internal Revenue Code Section 457, which states that assets of the plan are held for exclusive benefit of participants and their beneficiaries. Accordingly, the assets and related liabilities for the ICMA Plan, which amounted to \$3,769,160 at June 30, 2023, have been removed from the basic financial statements of the City, with no impact on fund equity.

During fiscal year 2016/2017, the City established an additional IRS 457 Plan with the California Public Employees Retirement System (CalPERS). The CalPERS IRC Plan had a balance in the amount of \$610,153 as of June 30, 2023.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Post-Retirement Medical Care Benefits

A. Summary

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred outflows of Resources:			
Changes in assumptions	\$ 182,364	\$ 67,834	\$ 250,198
Total deferred outflows of resources	<u>\$ 182,364</u>	<u>\$ 67,834</u>	<u>\$ 250,198</u>
Total OPEB Liability	<u>\$ 2,987,805</u>	<u>\$ 1,111,377</u>	<u>\$ 4,099,182</u>
Deferred inflows of Resources:			
Changes in assumptions	\$ 49,751	\$ 18,517	\$ 68,268
Difference between actual and expected experience	645,939	240,259	886,198
Total deferred inflows of resources	<u>\$ 695,690</u>	<u>\$ 258,776</u>	<u>\$ 954,466</u>
OPEB Expense	<u>\$ 94,892</u>	<u>\$ 263,399</u>	<u>\$ 358,291</u>

B. Plan Description

The City provides a retiree medical insurance contribution benefit in accordance with employee Memorandums of Understanding, for retired employees. This is a single employer defined benefit OPEB plan. The benefit is applicable to employees who retire from the City of Placerville and,

- Are 53 years of age or older; and
- Have 10 or more years of service with the City of Placerville.

The City contributes an amount each month towards the purchase of medical insurance for the retiree on a pay as you go basis. The monthly amount is determined by the applicable Memorandum of Understanding or salary and benefit provisions for the retired employee. The contribution is based upon the employees' years of service up to a maximum of 20 years, multiplied by the maximum benefit for the respective employee unit. The City pays the contribution amount until the retiree reaches age 65 or dies, whichever occurs first. Although this benefit ends at age 65, retirees who reach 65 or older continue to receive a monthly minimum contribution in the amount \$80.80 until death or disenrollment from the Plan.

C. Funding Policy

The City currently participates in a retiree medical plan through the Special Districts Risk Management Authority (SDRMA). There is no requirement to contribute any amount beyond the pay-as-you-go contributions. If a retiree elects medical insurance coverage through the City, the retiree is responsible for paying the difference between the medical insurance premium and the medical benefit.

The City is evaluating various options for funding the post-retirement medical benefits liability. The City has not established a trust for purposes of funding the required retiree medical insurance contribution but has elected to continue funding the benefit on a pay-as-you-go basis in the current year. The City plans on funding a portion or all of the OPEB Expense each year based upon projections from the July 1, 2021, actuarial valuation study performed by Foster & Foster Actuaries and Consultants.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Post-Retirement Medical Care Benefits (Continued)

D. Total OPEB Liability

The City’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability at June 30, 2023 was \$4,099,182.

E. Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	3.86%
Inflation	2.75%
Aggregate payroll increases	3.00%
Expected long-term investment Rate of Return	n/a
Mortality, Termination, and Disability	RP-2014 Employee Mortality, without projection
Mortality Post-retirement	Post-retirement Mortality Rates for Public Agency Miscellaneous from CalPERS
Pre-retirement turnover	Preretirement Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019). Preretirement Mortality Rates for Public Agency Police and Fire from CalPERS Experience Study (2000-2019).
Healthcare Trend Rate	6.00% for 2023, 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years; Medicare ages: 4.50% for 2022-2069 and 4.00% for 2070 and later years.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2000 through June 30, 2019.

F. Change in Assumption

The discount rate increased from 3.69% in 2022 to 3.86% in 2023.

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.69% percent. This discount rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

H. Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022 (measurement date)	\$ 3,894,417
Changes Recognized for the Measurement Period:	
Service Cost	324,262
Interest on the total OPEB liability	151,807
Difference between expected and actual experience	-
Changes in assumptions	(60,054)
Benefit payments	(211,250)
Net changes during July 1, 2022 to June 30, 2023	204,765
Balance at June 30, 2023 (measurement date)	<u>\$ 4,099,182</u>

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Post-Retirement Medical Care Benefits (Continued)

H. Change in the Total OPEB Liability

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

Total OPEB Liability/(Asset)		
Discount Rate - 1% (2.86%)	Current Discount Rate (3.86%)	Discount Rate + 1% (4.86%)
\$ 4,469,242	\$ 4,099,182	\$ 3,767,997

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50 percent decreasing to 3.00 percent) or 1-percentage-point higher (7.50 percent decreasing to 5.00 percent) than the current healthcare cost trend rates:

Total OPEB Liability/(Asset)		
1% Decrease (5.50% for 2022, 3.00% ultimate)	Trend Rate (6.50% for 2022, 4.00% ultimate)	1% Increase (7.50% for 2022, 5.00% ultimate)
\$ 3,660,088	\$ 4,099,182	\$ 4,625,342

I. Contributions

The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For fiscal year 2023, the City contributed \$211,250 to the plan for current premiums.

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$385,214. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ -	\$ 886,198
Changes in assumptions	250,198	68,268
	\$ 250,198	\$ 954,466

The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 8.1 years, which was determined as of June 30, 2022, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Post-Retirement Medical Care Benefits (Continued)

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amount reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year Ending	Amount
June 30	
2024	\$ (115,715)
2025	(130,726)
2026	(130,726)
2027	(86,861)
2028	(98,222)
Thereafter	(142,017)
Total	<u>\$ (704,268)</u>

Note 10 – Classification of Fund Balance and Other Fund Disclosures

In governmental funds, fund balances are classified as follows:

	Major Funds						Total
	General Fund	Transportation Development Fund	Measure J Fund	Measure L Fund	Grants Fund	Non-Major Funds	
<i>Nonspendable</i>							
Prepaid items	\$ 177,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,276
Advances to other funds	1,730,000	-	-	-	-	-	1,730,000
Inventories	12,301	-	-	-	-	-	12,301
Total	<u>1,919,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,919,577</u>
<i>Restricted</i>							
Transportation	-	369,974	-	7,219,542	-	-	7,589,516
Police services	-	-	243,139	-	-	-	243,139
Gas Tax	-	-	-	-	-	693,145	693,145
Development Impact	-	-	-	-	-	1,876,399	1,876,399
Parking District	-	-	-	-	-	100,788	100,788
Grants	-	-	-	-	848,655	-	848,655
BAD, CFD, & LLMD	-	-	-	-	-	376,810	376,810
Park Development	-	-	-	-	-	170,888	170,888
Total	<u>-</u>	<u>369,974</u>	<u>243,139</u>	<u>7,219,542</u>	<u>848,655</u>	<u>3,218,030</u>	<u>11,899,340</u>
<i>Committed</i>							
Capital projects	-	-	-	-	-	562,021	562,021
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>562,021</u>	<u>562,021</u>
<i>Unassigned</i>							
	3,019,310	-	-	-	-	-	3,019,310
Total fund balances	<u>\$ 4,938,887</u>	<u>\$ 369,974</u>	<u>\$ 243,139</u>	<u>\$ 7,219,542</u>	<u>\$ 848,655</u>	<u>\$ 3,780,051</u>	<u>\$ 17,400,248</u>

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Classification of Fund Balance and Other Fund Disclosures (Continued)

Encumbrances

The City utilizes encumbrance accounting as a means of controlling expenditures. Under this method, funds are encumbered when purchase orders, contracts and other commitments are signed or approved by authorized City officials. Such outstanding commitments at year-end do not constitute expenditures or liabilities.

GASB Statement No. 54 provides additional guidance on the classification within the fund balances section of amounts that have been encumbered. Encumbrances of balances within the governmental funds are classified as either nonspendable, committed, restricted or assigned and are included in the respective functional categories. These encumbrances are not separately classified in the financial statements, and are summarized at June 30, 2023 as follows:

Fund	Amount
Governmental Activities	
Transportation Development Fund	\$ 2,969,151
Grant Fund	21,639
Non-Major Funds	1,869,776
Business Type Activities	
Water Fund	24,000
Sewer Fund	822,355
Total encumbrances	\$ 5,706,921

Capital Commitments

The City is undertaking a number of capital improvement projects. However, there are no capital project commitments at June 30, 2023.

Net Position Deficit

The City’s governmental activities had an unrestricted net position (deficit) of \$(9,625,143) as of June 30, 2023. This is mainly due to reporting of net pension liability of \$(18,126,807) as required under GASB Statement No. 68 (Note 8) and reporting of Total OPEB liability of \$(2,987,805) as required under GASB Statement No. 75 (Note 9).

Expenditures in Excess of Appropriations

The following funds report expenditures in excess of appropriations for the year ended June 30, 2023.

Fund	Excess
Parking District	\$ 14,455
Capital Projects	410,350
Park Development	232

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Net Investment in Capital Assets

Net Investment in Capital Assets at June 30, 2023, consisted of the following:

	Governmental	Business-Type	
	Activities	Activities	Total
Total capital assets, net	\$ 66,676,085	\$ 62,090,042	\$ 128,766,127
Less related debt:			
2006 State Revolving Loan	-	(26,178,326)	(26,178,326)
2015 Equipment Lease	(68,565)	(53,822)	(53,822)
2019 Equipment Lease	(35,413)	(19,426)	(19,426)
2019 CEC Loan	(468,001)	(152,081)	(152,081)
2022 Sewer Revenue Bonds	-	(14,699,700)	(14,699,700)
2023 Equipment Finance Purchase	(434,949)	(296,116)	(296,116)
Unspent bond proceeds	434,949	296,118	731,067
Net investment in capital assets	<u>\$ 66,104,106</u>	<u>\$ 20,986,689</u>	<u>\$ 88,097,723</u>

Note 12 – Risk Management

The City is a member of joint powers authorities for general liability, property, and workers compensation insurance programs as described below. The purpose of the authorities is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

Each member city has a representative on the Board of Directors. Officers of the authorities are elected annually by the Board of Directors.

The following provides a reconciliation of claims payable, which are recorded as an Internal Service Fund, for the three years ended June 30, 2021, 2022, and 2023:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments For Current and Prior Years	End of Year Liability
2020-2021	\$ 315,954	\$ 664,131	\$ (684,076)	\$ 296,009
2021-2022	296,009	591,946	(589,968)	297,987
2022-2023	297,987	192,602	(106,064)	384,525

Northern California Cities Self Insurance Fund

Northern California Cities Self Insurance Fund (Authority) is a joint powers authority created by certain Northern California cities to provide claims processing administrative services, risk management service and actuarial studies for the Authority as a whole. The Workers Compensation Program comprises a banking layer for claims up to \$100,000 and a Shared Risk Pool for claims from \$100,000 to \$500,000. Excess commercial insurance coverage is provided for claims over the shared risk layers. The Authority is governed by a Board of Directors comprised of officials appointed by each member. The activities of the Authority include setting and collecting premiums, administering and paying claims and related expenses and investing the Authority's excess funds.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Risk Management (Continued)

Shared Risk Pool - Each member is assessed a contribution which is intended to cover its share of the Authority's claims, operating costs and claim settlement expenses. Contributions are based on an actuarially determined rate for each coverage layer (pool), based on an estimate of the probable losses and expenses to be borne by that pool for the claim year. Additional cash contributions may be assessed on the basis of adverse loss experience. Refunds to members may be made if funds are determined to be surplus as a result of an actuarial study. Losses are allocated on the basis of each participant's share of cash contributions. All contributions are recognized as revenues when earned, based on the period covered by the contribution.

Banking Layer - The banking layer is the members' deductible portion of each claim. As part of its services to members, a portion of their contributions is used to pay their deductibles. If a member's balance is insufficient, the Authority advances the necessary amount and bills the member in the following year. Excess balances may likewise be used to offset subsequent year contributions. The following is a summary of financial information of the Authority as of and for the year ended June 30, 2023:

Total Assets (Primary Investments)	\$ 81,997,260
Total Liability	\$ 56,120,158
Net Position	\$ 25,877,102
Total Revenues	\$ 32,804,805
Total Expenses	\$ 31,329,363
Net Income (Loss)	\$ 1,475,442

Public Agency Risk Sharing Authority of California

Public Agency Risk Sharing Authority of California (PARSAC) is a joint powers authority created by certain California Cities and special districts to provide claims processing administrative services, risk management services and actuarial studies for PARSAC as a whole. The City of Placerville is a member of PARSAC. The following is a summary of audited financial information of PARSAC as of and for the year ended June 30, 2023:

Total Assets (Primary Investments)	\$ 47,495,559
Total Liability	\$ 18,505,351
Net Position	\$ 28,990,208
Total Revenues	\$ 803,615
Total Expenses	\$ 219,306
Net Income (Loss)	\$ 584,309

California Intergovernmental Risk Authority

Effective July 1, 2021, the member agencies of PARSAC joined the member agencies of the Redwood Empire Municipal Insurance Fund (REMIF) to form the California Intergovernmental Risk Authority (CIRA). The General Liability program, a shared risk pool, total coverage of \$40 million. The first one million dollar layer, in excess of the City's \$50,000 retention, per occurrence is covered by CIRA. The second layer of thirty-nine million dollars is insured by PRISM. The ultimate cost of the program to the City depends on the catastrophic losses of all members, as well as the City's own loss experience. The following is a summary of audited financial information of CIRA as of and for the year ended June 30, 2023:

Total Assets (Primary Investments)	\$ 37,133,957
Total Liability	\$ 37,036,417
Net Position (Deficit)	\$ 97,540
Total Revenues	\$ 44,626,074
Total Expenses	\$ 44,226,241
Net Income (Loss)	\$ 399,833

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – City Agreements with Certain Other Governmental Units

El Dorado County Fire Protection District

The City entered into an agreement with the El Dorado County Fire Protection District (District) under which the District will provide fire protection and emergency medical services for the City. These services had been previously provided by the City Fire Department in the early 1990s.

The District is governed by its own Board of Directors and is not governed by the local government agencies that are serviced by it. All City Fire Department personnel, vehicles and equipment have been transferred to the District.

Effective with Fiscal Year 1993/1994 and all future years, the City's obligation for fire protection and emergency medical services shall be satisfied by District's receipt of the City's property tax revenue, even if such amount is reduced by future shifts to the State of California.

For the year ended June 30, 2023, City property tax revenue assigned to the District amounted to approximately \$2,112,549.

El Dorado County Transit Authority

El Dorado County Transit Authority was formed in November, 1993, as a joint powers authority to own, operate, and/or maintain a public transit system.

El Dorado County Transportation Commission

El Dorado County Transportation Commission is a joint powers agency formed, in April 1995, for the purpose of engaging in regional transportation planning and the allocation of funds for transportation purposes.

Note 14 – Contingencies

A. Legal Actions

There are various claims and legal actions pending against the City for which no provision has been made in the accompanying general-purpose financial statements. In the opinion of the City Attorney and City Management, liabilities arising from these claims and legal actions, if any, will not have an adverse material effect on the financial position of the City. The City is self-insured and participates in public entity risk pools (See Note 12).

B. Federal Grants

The City has received federal grants for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material.

C. Proposition 62

On September 28, 1995, the California Supreme Court reversed a Court of Appeals decision which reinstated provisions of Proposition 62 which was a 1986 voter initiative that required all general taxes to be approved by simple majority vote of the electorate. The Supreme Court provided very little detail on a number of important issues surrounding their decision, including, the effective date of the decision, whether the decision would be retroactive, and whether existing taxes would have to be put to a vote for them to remain valid. The decision will have minimal impact on the City's existing general tax structure.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 14 – Contingencies (Continued)

D. Proposition 218

On November 5, 1996, Proposition 218 was approved by the voters. Proposition 218 is a constitutional amendment which addresses both taxes and assessments imposed, extended or increased without voter approval on or after January 1, 1995. Its effect on existing assessments is minimal. The constitutional amendment requires special districts and local governments, like the City of Placerville, to issue notices to affected ratepayers whenever property related charges and/or rates, such as sewer and water user rates, are proposed by the governing body. The said notices must be distributed to affected ratepayers at least forty-five days prior to adoption. If the City Council receives written protests that exceed 50% of the affected ratepayers, the proposed changes in charges and/or rates is negated.

Note 15 – Placerville Public Financing Authority Has Defaulted on Certain Revenue Bonds

Placerville Public Financing Authority (Authority) is a legal joint powers entity created by the City. The Authority's Board of Directors is comprised of the City's Council Members, City Manager and Assistant City Manager/Finance Director, and all accounting and administrative functions are performed by the City. Neither the City nor the Authority have any obligation to advance its own funds toward payments to bondholders, other than the City's obligation to make payments on its sewer revenue bonds and an installment purchase agreement and to pay over assessment payments received from property owners as discussed below and the Authority's obligation to make payments from funds received from the City. Payments with respect to assessments secured by liens against real property benefiting from the issuance of bonds, plus any amounts held by the Trustee, are the sole security for payment to bondholders, other than payments on the City's sewer revenue bonds and an installment purchase agreement. In the event of delinquency in payment of assessment or supplemental assessments, the City is responsible for foreclosure and auction proceedings on assessed property.

Limited Obligation Assessment Bonds and Revenue Bonds

In 1992, the City issued Limited Obligation Assessment bonds for its Assessment Districts 92-1 and 92-2, and then subsequently issued Limited Obligation Supplemental Assessment Bonds for Assessment District 92-1. In 1994, the City issued Limited Obligation Assessment Bonds for its Assessment Districts 94-1 and 94-2, and City Sewer Revenue Bonds. For the purpose of this discussion, the term "Limited Obligation Assessment Bonds" refers to all Assessment Bonds including the Supplemental issue.

The Authority issued its Revenue Bonds of 1992, Series A (Series A Bonds) and its Revenue Bonds of 1992, Series C (Series C Bonds) to purchase the City's 1992 Limited Obligation Assessment Bonds and Supplemental Limited Obligation Assessment Bonds. The Authority issued its Revenue Bonds of 1994 (Series 1994 Bonds) to purchase the City's 1994 Limited Obligation Assessment Bonds and Sewer Revenue Bonds.

The City issued Limited Obligation Assessment Bonds on behalf of improvement districts created to benefit property owners for a specific purpose, such as to finance local street, water and sewer improvements. Property owners in the designated districts were assessed amounts sufficient to cover the principal and interest costs of repaying the bonds. Annually, assessment installments are levied and placed on the County of El Dorado Property Tax Rolls. The Authority applied proceeds of the sale of its Series A and Series C Revenue Bonds to the purchase of the City's Assessment Bonds, which were then pledged as security for its Revenue Bonds. The City also issued Sewer Revenue Bonds for improvements related to its wastewater treatment plant, and to refund earlier bonds issued to finance such improvements. The Authority also applied proceeds of the sale of its Series 1994 Revenue Bonds to the purchase. The City has not defaulted on payment of the Sewer Revenue Bonds.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Placerville Public Financing Authority Has Defaulted on Certain Revenue Bonds (Continued)

Limited Obligation Assessment Bonds and Revenue Bonds (Continued)

The following table summarizes the City’s Limited Obligation Assessment bonds, Limited Obligation Supplemental Assessment bonds, revenue obligations payable from revenues of the City’s Wastewater System as issued:

Bond Issue – Date	Aggregate Amount Issued	Authority Revenue Bonds Issued
AD 1992-1, March 1992	\$5,247,500	Series A - \$7,700,000
AD 1992-2, March 1992	\$1,533,202	
AD 1992-1, June 1992	\$2,785,000	Series C - \$3,185,000
AD 1994-1, June 1994 ¹	\$2,660,000	Series 1994 - \$13,070,000 ¹
AD 1994-2, June 1994 ¹	\$4,855,000	
Sewer Revenue Bonds ¹	\$4,255,000	
Installment Purchase Agreement ²	\$15,179,700	Series 2022 - \$15,179,700 ²

¹Paid in full.

¹Issued in 2022. Not in default.

The City is responsible for collecting the assessments levied against the property within the improvement districts and for disbursing these amounts to the Trustee, Union Bank, N.A., who further disburses the funds to ultimately retire the Authority’s Revenue Bonds.

Defaults

In March, 1998, the Authority defaulted on the regularly scheduled interest payment due on its Revenue Bonds of 1992, Series C (Series C Bonds). The Authority’s default was the result of the City of Placerville’s default on Limited Obligation Supplemental Assessment Bonds issued and secured by supplemental assessment liens on real property within the City’s Assessment District 92-1 (AD 92-1). The City’s default was the result of the nonpayment of supplemental assessments by owners of property within AD 92-1.

In September, 2003, the Authority defaulted on the regularly scheduled interest payment due on its Series A Bonds. The Authority’s default was the result of the City of Placerville’s defaults over several years on Limited Obligation Assessment Bonds issued and secured by assessment liens on real property within the City’s Assessment District 92-1 (AD 92-1) and assessment liens on real property within the City’s Assessment District 92-2 (AD 92-2). The City’s defaults were the result of the nonpayment of assessments by owners of property within AD 92-1 and AD 92-2.

Series 1994 Revenue bond technical defaults, or drawdowns of reserve funds, also occurred as a result of nonpayment of assessments by owners of property within the City’s Assessment District 94-1. Due to property owners’ continued nonpayment of assessments and supplemental assessments, the City defaulted on the required cash flows for the payment of the City’s Limited Obligation Original and Supplemental Assessment Bonds. When property owners fail to pay their assessments, the Assessment Bonds are not being paid and therefore there are no, or insufficient, cash flows to pay the Authority’s Revenue Bonds (other than funds held by the Trustee). As necessary, the Revenue Bond Reserve Fund is drawn down to pay the bondholders until the Fund is depleted.

The Revenue Bond Reserve Funds were drawn down to pay the Series A and Series C Bonds. The Reserve Funds for the Series A and Series C bonds have been completely depleted. These Revenue Bonds and the assessment bonds sharing them are in default. After the reserve funds were depleted, scheduled principal and interest payments for the Authority’s Series A and C Bonds were not paid.

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Placerville Public Financing Authority Has Defaulted on Certain Revenue Bonds (Continued)

Defaults (Continued)

Since the default on the Series A Bonds and the Series C Bonds, the City has collected some delinquent assessments and some delinquent supplemental assessments resulting from the sale of certain properties within the districts, including some sold at County tax sales. The amounts collected have been disbursed to the Trustee for further disbursement to the bondholders or are held by the City for payment to the Trustee.

While the City does not have an obligation to advance its own funds to pay the defaulted Limited Obligation Assessment Bonds, the City does have administrative responsibilities such as judicial foreclosure and sale by auction of delinquent properties. The City has obtained a judgment of foreclosure on all properties subject to default.

Although the AD 92-1 AD 92-2 bonds matured in 2012, delinquent assessments and supplemental assessments remain resulting in continued default of past principal and interest payments. The City and Authority are exploring work out options for the remaining parcels with delinquent assessments.

In a different scenario from the Series A Bonds and the Series C Bonds, through a procedure connected with a foreclosure sale, a credit bid by the City and a corresponding sale to a new developer, the AD 94-1 Bonds were paid in full. The foreclosure payments, as well as remaining funds in the Construction Fund, were transmitted to the Trustee for a partial redemption of the Series 1994 Bonds.

In addition, the owners of the parcels in the City’s Assessment District 94-2 (AD 94-2) prepaid their assessments. The payments were transmitted to the Trustee for a partial redemption of Series 1994.

The remaining Series 1994 Revenue Bonds of the Authority, and City’s 1994 Sewer Revenue Bonds, have been paid in full in connection with the Authority’s issuance of its \$17,215,000 Revenue Bonds (Wastewater System Refinancing and Improvement Project), Series 2006, payable from installment payments by the City’s Wastewater System pursuant to an installment purchase agreement.

Note 16 – Prior Period Adjustments

The City’s beginning fund balance and net position have been restated to reflect the cumulative effect of prior year adjustments to correct the accounting treatment of reimbursable expenditures and their related accounts receivable. Previously, the City posted estimated costs deemed to be reimbursable directly to a grants receivable account. The City determined certain prior year amounts recorded in receivables will not be reimbursable and will require a prior period adjustment to correct the error. These reimbursable costs were only recognized as expenditures if it was unlikely that the City would receive reimbursement for them. In order to increase financial transparency, the City now recognizes these expenditures at the time the actual costs are incurred, and an offsetting receivable is recorded. A summary of the restatements as of June 30, 2023 are as follows:

Government-Wide Financial Statements

The beginning net position at July 1, 2022 of the Government-Wide Financial Statements was restated as follows:

	Governmental Activities
Net position, as previously reported, at July 1, 2022	\$ 59,342,254
To correct error in accounting for accounts receivable	(3,385,547)
Net position at July 1, 2022, as restated	\$ 55,956,707

City of Placerville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 16 – Prior Period Adjustments (Continued)

Fund Financial Statements

The beginning fund balance at July 1, 2023 of the Fund Financial Statements was restated as follows:

	Transportation Development Fund
	<u>Fund</u>
Net position, as previously reported, at July 1, 2022	\$ 3,513,902
To correct error in accounting for grants receivable	<u>(3,385,547)</u>
Net position at July 1, 2022, as restated	<u><u>\$ 128,355</u></u>

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**REQUIRED
SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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City of Placerville
Required Supplementary Information (Unaudited)
Budget Comparison Schedules – General Fund
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Property taxes	\$ 336,335	\$ 349,459	\$ 364,196	\$ 14,737
Sales tax	6,624,642	6,757,372	6,388,172	(369,200)
Transient occupancy taxes	218,867	252,580	-	(252,580)
Other taxes	488,612	582,405	810,398	227,993
Franchise fees	358,830	384,176	407,490	23,314
Licenses and permits	141,000	558,531	172,456	(386,075)
Fines and forfeitures	85,000	67,594	82,720	15,126
Use of money and property	64,362	134,774	126,849	(7,925)
Intergovernmental	1,075,336	1,131,895	1,123,674	(8,221)
Charges for services	1,047,382	1,363,476	1,307,925	(55,551)
Other revenues	567,491	567,491	567,491	-
Total Revenues	<u>11,007,857</u>	<u>12,149,753</u>	<u>11,351,371</u>	<u>(798,382)</u>
EXPENDITURES:				
Current:				
General government	2,972,492	2,960,848	2,926,035	34,813
Public safety	3,704,987	3,638,252	3,689,348	(51,096)
Highways and streets	775,843	726,192	735,217	(9,025)
Community development	846,049	820,054	787,774	32,280
Parks and recreation	2,542,634	2,542,318	2,072,570	469,748
Total Expenditures	<u>10,842,005</u>	<u>10,687,664</u>	<u>10,210,944</u>	<u>476,720</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>165,852</u>	<u>1,462,089</u>	<u>1,140,427</u>	<u>(321,662)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	411,036	411,036	384,525	(26,511)
Transfers out	(555,867)	(671,032)	(1,012,173)	(341,141)
Total Other Financing Sources (Uses)	<u>(144,831)</u>	<u>(259,996)</u>	<u>(627,648)</u>	<u>(367,652)</u>
Change in Fund Balance	<u>\$ 21,021</u>	<u>\$ 1,202,093</u>	512,779	<u>\$ (689,314)</u>
Fund Balance:				
Beginning of year			<u>4,426,108</u>	
End of year			<u>\$ 4,938,887</u>	

City of Placerville
Required Supplementary Information (Unaudited) (Continued)
Budget Comparison Schedules – Transportation Development Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 11,007	\$ 11,007
Intergovernmental	-	1,900,000	1,951,970	51,970
Total Revenues	-	1,900,000	1,962,977	62,977
EXPENDITURES:				
Current:				
Highways and streets	-	3,296,000	2,883,282	412,718
Total Expenditures	-	3,296,000	2,883,282	412,718
REVENUES OVER (UNDER EXPENDITURES)	-	(1,396,000)	(920,305)	475,695
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,396,000	1,161,924	(234,076)
Total Other Financing Sources (Uses)	-	1,396,000	1,161,924	(234,076)
Change in Fund Balance	\$ -	\$ -	241,619	\$ 241,619
Fund Balance:				
Beginning of year, as restated (Note 16)			128,355	
End of year			\$ 369,974	

City of Placerville
Required Supplementary Information (Unaudited) (Continued)
Budget Comparison Schedules – Measure J Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Sales tax	\$ 1,435,188	\$ 1,463,352	\$ 1,446,288	\$ (17,064)
Use of money and property	-	-	1,182	1,182
Total Revenues	<u>1,435,188</u>	<u>1,463,352</u>	<u>1,447,470</u>	<u>(15,882)</u>
EXPENDITURES:				
Current:				
General government	14,352	14,634	14,463	171
Public safety	<u>1,641,611</u>	<u>1,636,555</u>	<u>1,609,385</u>	<u>27,170</u>
Total Expenditures	<u>1,655,963</u>	<u>1,651,189</u>	<u>1,623,848</u>	<u>27,341</u>
REVENUES OVER (UNDER EXPENDITURES)	<u>(220,775)</u>	<u>(187,837)</u>	<u>(176,378)</u>	<u>11,459</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>159,182</u>	<u>159,464</u>	<u>60,000</u>	<u>(99,464)</u>
Total Other Financing Sources (Uses)	<u>159,182</u>	<u>159,464</u>	<u>60,000</u>	<u>(99,464)</u>
Change in Fund Balance	<u>\$ (61,593)</u>	<u>\$ (28,373)</u>	(116,378)	<u>\$ (88,005)</u>
Fund Balance:				
Beginning of year			<u>359,517</u>	
End of year			<u>\$ 243,139</u>	

City of Placerville
Required Supplementary Information (Unaudited) (Continued)
Budget Comparison Schedules – Measure L Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Sales tax	\$ 2,870,376	\$ 2,926,703	\$ 2,916,717	\$ (9,986)
Use of money and property	10,000	-	107,483	107,483
Total Revenues	<u>2,880,376</u>	<u>2,926,703</u>	<u>3,024,200</u>	<u>97,497</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,192,000)	(1,191,386)	614
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,192,000)</u>	<u>(1,191,386)</u>	<u>614</u>
Change in Fund Balance	<u>\$ 2,880,376</u>	<u>\$ 1,734,703</u>	1,832,814	<u>\$ 98,111</u>
Fund Balance:				
Beginning of year			<u>5,386,728</u>	
End of year			<u>\$ 7,219,542</u>	

City of Placerville
Required Supplementary Information (Unaudited) (Continued)
Budget Comparison Schedules – Grants Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance
Use of money and property	\$ -	\$ 39,000	\$ 39,297	\$ 297
Intergovernmental	226,005	221,000	221,094	94
Grant revenues	-	1,493,000	1,606,120	113,120
Total Revenues	<u>226,005</u>	<u>1,753,000</u>	<u>1,866,511</u>	<u>113,511</u>
EXPENDITURES:				
Current:				
General government	-	969,000	968,628	372
Public safety	226,005	673,000	672,779	221
Parks and recreation	-	362,000	361,636	364
Total Expenditures	<u>226,005</u>	<u>2,004,000</u>	<u>2,003,043</u>	<u>957</u>
REVENUES OVER (UNDER EXPENDITURES)	<u>-</u>	<u>(251,000)</u>	<u>(136,532)</u>	<u>112,554</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	393,000	392,584	416
Transfers out	(68,738)	(85,000)	(84,434)	566
Total other financing sources (uses)	<u>(68,738)</u>	<u>308,000</u>	<u>308,150</u>	<u>982</u>
CHANGE IN FUND BALANCE	<u>\$ (68,738)</u>	<u>\$ 57,000</u>	<u>171,618</u>	<u>\$ 113,536</u>
FUND BALANCE:				
Beginning of year			<u>677,037</u>	
End of year			<u>\$ 848,655</u>	

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City of Placerville
Required Supplementary Information (Unaudited) (Continued)
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2022

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The annual budget adopted by the City Council provides for the general operation of the City. The annual budget is adopted by the City Council in June of each year for all funds. The resolution sets a combined appropriation of the funds for the operation of the City.
2. The City Manager is authorized to transfer budgeted amounts between departments and line items to assure adequate and proper standards of service. Budgetary revisions, including supplemental appropriations which increase appropriations in individual funds and transfers between funds, must be approved by the City Council. The budgetary level of control is at the fund level. The budgeted figures used in the financial statements are the final amended amounts.
3. The budget is formally integrated into the accounting system and employed as a management control device during the year for all funds.
4. Budgets for the governmental fund types are adopted and recorded on the modified basis of accounting on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budget appropriations lapse at the end of the fiscal year. Supplemental appropriations were adopted by the City Council and have been included in the statements of revenues, expenditures, and changes in fund balance – budget to actual. Budgets are also prepared for proprietary fund types, which include debt service principal payments, capital outlay, but do not include depreciation.

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rates or revised fee schedules. For the fiscal year ended June 30, 2023, proceeds of taxes did not exceed allowable appropriations.

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for the General and all Major Special Revenue funds present comparisons of the legally-adopted budget with actual data on a basis consistent with generally accepted accounting principles.

City of Placerville
Required Supplementary Information (Unaudited) (Continued)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Miscellaneous Plan					
Measurement period, year ended	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Plan's proportion of the net pension liability	0.3045321%	0.5126582%	0.3026100%	0.3023200%	0.3024169%
Plan's proportionate share of the net pension liability	\$ 14,249,750	\$ 9,734,367	\$ 12,764,462	\$ 12,106,299	\$ 11,397,227
Plan's covered payroll	\$ 3,809,666	\$ 3,698,705	\$ 3,590,976	\$ 3,486,384	\$ 3,573,174
Plan's proportionate share of the net pension liability as a percentage of covered payroll	374.04%	263.18%	355.46%	338.81%	318.97%
Plan's fiduciary net position	\$ 23,572,856	\$ 25,810,596	\$ 22,035,899	\$ 21,858,639	\$ 21,834,428
Plan's fiduciary net position as a percentage of the total pension liability	62.32%	72.61%	63.32%	64.36%	65.70%
Plan's proportionate share of aggregate employer contributions	\$ 1,324,470	\$ 1,209,148	\$ 1,126,569	\$ 993,063	\$ 892,071
Measurement period, year ended	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> ¹	
Plan's proportion of the net pension liability	0.2922869%	0.1180300%	0.1279368%	0.1167000%	
Plan's proportionate share of the net pension liability	\$ 11,522,089	\$ 10,213,253	\$ 8,781,468	\$ 7,270,669	
Plan's covered payroll	\$ 3,469,101	\$ 3,368,059	\$ 3,269,960	\$ 3,174,719	
Plan's proportionate share of the net pension liability as a percentage of covered payroll	332.13%	303.24%	268.55%	229.02%	
Plan's fiduciary net position	\$ 20,599,097	\$ 18,384,211	\$ 18,751,097	\$ 20,035,468	
Plan's fiduciary net position as a percentage of the total pension liability	64.13%	64.29%	68.11%	73.37%	
Plan's proportionate share of aggregate employer contributions	\$ 821,706	\$ 758,296	\$ 563,533	\$ 547,119	

¹Information only presented from the implementation year

City of Placerville
Required Supplementary Information (Unaudited) (Continued)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Safety Plan

Measurement period, year ended	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Plan's proportion of the net pension liability	0.134640%	0.155635%	0.121160%	0.119580%	0.118760%
Plan's proportionate share of the net pension liability	\$ 9,251,912	\$ 5,461,995	\$ 8,071,829	\$ 7,464,858	\$ 6,968,396
Plan's covered payroll	\$ 1,456,668	\$ 1,414,240	\$ 1,373,049	\$ 1,333,057	\$ 1,294,230
Plan's proportionate share of the net pension liability as a percentage of covered payroll	635.14%	386.21%	587.88%	559.98%	538.42%
Plan's fiduciary net position	\$ 19,764,713	\$ 21,377,402	\$ 17,734,181	\$ 16,504,858	\$ 16,101,982
Plan's fiduciary net position as a percentage of the total pension liability	68.12%	79.65%	68.72%	68.86%	69.80%
Plan's proportionate share of aggregate employer contributions	\$ 850,316	\$ 799,484	\$ 762,764	\$ 668,141	\$ 568,532
Measurement period, year ended	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014¹</u>	
Plan's proportion of the net pension liability	0.115576%	0.070494%	0.073132%	0.071310%	
Plan's proportionate share of the net pension liability	\$ 6,905,882	\$ 6,099,938	\$ 5,019,871	\$ 4,440,588	
Plan's covered payroll	\$ 1,256,534	\$ 1,219,936	\$ 1,184,404	\$ 1,149,907	
Plan's proportionate share of the net pension liability as a percentage of covered payroll	549.60%	500.02%	423.83%	386.17%	
Plan's fiduciary net position	\$ 14,268,522	\$ 12,997,857	\$ 13,914,172	\$ 13,946,181	
Plan's fiduciary net position as a percentage of the total pension liability	67.39%	68.06%	73.49%	75.85%	
Plan's proportionate share of aggregate employer contributions	\$ 488,725	\$ 457,324	\$ 332,478	\$ 322,794	

¹Information only presented from the implementation year

City of Placerville
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions
For the Year Ended June 30, 2023

Miscellaneous Plan

Fiscal Year Ended June 30:	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Actuarially determined contribution	\$ 1,468,696	\$ 1,324,470	\$ 1,209,148	\$ 1,126,569	\$ 993,063
Contributions in relation to the actuarially determined contribution	(1,468,696)	(1,209,148)	(1,126,569)	(1,126,569)	(993,063)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,923,956	\$ 3,809,666	\$ 3,698,705	\$ 3,590,976	\$ 3,486,384
Contributions as a percentage of covered payroll	37.43%	31.74%	30.46%	31.37%	28.48%
Fiscal Year Ended June 30:	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15¹</u>	
Actuarially determined contribution	\$ 892,071	\$ 821,706	\$ 758,296	\$ 563,533	
Contributions in relation to the actuarially determined contribution	(892,071)	(821,706)	(758,296)	(563,533)	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 3,573,174	\$ 3,469,101	\$ 3,368,059	\$ 3,269,960	
Contributions as a percentage of covered payroll	24.97%	23.69%	22.51%	17.23%	

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2023 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	2.750%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 and 2015. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.
Mortality	

¹Information only presented from the implementation year

City of Placerville
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions
For the Year Ended June 30, 2023

Safety Plan

Fiscal Year Ended June 30:	2022-23	2021-22	2020-21	2019-20	2018-19
Actuarially determined contribution	\$ 972,483	\$ 850,316	\$ 799,484	\$ 762,764	\$ 668,141
Contributions in relation to the actuarially determined contribution	(972,483)	(799,484)	(762,764)	(762,764)	(668,141)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,500,368	\$ 1,456,668	\$ 1,414,240	\$ 1,373,049	\$ 1,294,230
Contributions as a percentage of covered payroll	64.82%	54.88%	53.93%	55.55%	51.62%
Fiscal Year Ended June 30:	2017-18	2016-17	2015-16	2014-15 ¹	
Actuarially determined contribution	\$ 568,532	\$ 488,725	\$ 457,324	\$ 332,478	
Contributions in relation to the actuarially determined contribution	(568,532)	(488,725)	(457,324)	(332,478)	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 1,256,534	\$ 1,219,936	\$ 1,219,936	\$ 1,184,404	
Contributions as a percentage of covered payroll		45.25%	40.06%	37.49%	28.07%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2023 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	2.750%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 and 2015. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.
Mortality	

¹Information only presented from the implementation year

City of Placerville
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023

Measurement period, year ending:	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u> ¹
Total OPEB liability						
Service cost	\$ 324,262	\$ 417,308	\$ 367,057	\$ 320,283	\$ 275,001	\$ 288,351
Interest	151,807	87,589	101,733	112,667	124,596	104,326
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(741,377)	-	(735,966)	-	-
Changes of assumptions	(60,054)	(20,633)	192,870	297,706	189,551	(178,820)
Benefit payments, including refunds of member contributions	<u>(211,250)</u>	<u>(209,163)</u>	<u>(171,420)</u>	<u>(108,058)</u>	<u>(93,565)</u>	<u>(116,520)</u>
Net change in total OPEB liability	204,765	(466,276)	490,240	(113,368)	495,583	97,337
Total OPEB liability - beginning	<u>3,894,417</u>	<u>4,360,693</u>	<u>3,870,453</u>	<u>3,983,821</u>	<u>3,488,238</u>	<u>3,390,901</u>
Total OPEB liability - ending (a)	<u>\$ 4,099,182</u>	<u>\$ 3,894,417</u>	<u>\$ 4,360,693</u>	<u>\$ 3,870,453</u>	<u>\$ 3,983,821</u>	<u>\$ 3,488,238</u>
OPEB fiduciary net position						
Contributions - employer	\$ 211,250	\$ 209,163	\$ 171,420	\$ 108,058	\$ 93,565	\$ 116,520
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(211,250)	(209,163)	(171,420)	(108,058)	(93,565)	(116,520)
Administrative expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 4,099,182</u>	<u>\$ 3,894,417</u>	<u>\$ 4,360,693</u>	<u>\$ 3,870,453</u>	<u>\$ 3,983,821</u>	<u>\$ 3,488,238</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 7,474,959	\$ 6,603,614	\$ 6,585,298	\$ 6,585,298	\$ 6,783,602	\$ 6,361,144
Plan net OPEB liability as a percentage of covered payroll	54.84%	58.97%	66.22%	58.77%	58.73%	54.84%

¹Information only presented from the implementation year

**SUPPLEMENTARY
INFORMATION**

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NON-MAJOR GOVERNMENTAL FUNDS

City of Placerville
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Gas Tax	Parking District	Development Impact	BAD, CFD, & LLMD
ASSETS				
Cash and investments	\$ 620,516	\$ 199,205	\$ 1,863,222	\$ 369,152
Cash and investments held by fiscal agents	-	-	-	-
Receivables:				
Accounts	68,362	26,839	83,179	11,325
Interest	4,267	283	10,310	1,764
Loans	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 693,145	\$ 226,327	\$ 1,956,711	\$ 382,241
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 5,518	\$ 80,312	\$ 5,431
Deposits payable	-	2,259	-	-
Advances from other funds	-	117,762	-	-
Total liabilities	-	125,539	80,312	5,431
Fund Balances:				
Restricted	693,145	100,788	1,876,399	376,810
Committed	-	-	-	-
Total fund balances	693,145	100,788	1,876,399	376,810
Total liabilities and fund balances	\$ 693,145	\$ 226,327	\$ 1,956,711	\$ 382,241

City of Placerville
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds		Total Other Governmental Funds
	Capital Projects	Park Development	
ASSETS			
Cash and investments	\$ 81,151	\$ 170,253	\$ 3,303,499
Cash and investments held by fiscal agents	434,949	-	434,949
Receivables:			
Accounts	139,530	-	329,235
Interest	-	635	17,259
Loans	-	-	-
	-	-	-
Total assets	\$ 655,630	\$ 170,888	\$ 4,084,942
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 93,609	\$ -	\$ 184,870
Deposits payable	-	-	2,259
Advances from other funds	-	-	117,762
Total liabilities	93,609	-	304,891
Fund Balances:			
Restricted	-	170,888	3,218,030
Committed	562,021	-	562,021
Total fund balances	562,021	170,888	3,780,051
Total liabilities and fund balances	\$ 655,630	\$ 170,888	\$ 4,084,942

(Concluded)

City of Placerville
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Gas Tax	Parking District	Development Impact	BAD, CFD, & LLMD
REVENUES:				
Use of money and property	\$ 12,333	\$ 1,360	\$ 24,259	\$ 5,440
Intergovernmental	541,365	-	-	-
Charges for services	-	222,787	74,957	82,414
Grant revenues	-	-	104,159	-
Total revenues	<u>553,698</u>	<u>224,147</u>	<u>203,375</u>	<u>87,854</u>
EXPENDITURES:				
Current:				
General government	-	67,269	-	-
Public safety	-	-	-	-
Highways and streets	70,698	186,510	351,840	9,841
Parks and recreation	-	-	-	32,810
Total expenditures	<u>70,698</u>	<u>253,779</u>	<u>351,840</u>	<u>42,651</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>483,000</u>	<u>(29,632)</u>	<u>(148,465)</u>	<u>45,203</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from finance purchase agreement	-	-	-	-
Transfers in	-	8,656	-	-
Transfers out	(367,541)	-	(125,000)	-
Total other financing sources (uses)	<u>(367,541)</u>	<u>8,656</u>	<u>(125,000)</u>	<u>-</u>
CHANGE IN FUND BALANCES	115,459	(20,976)	(273,465)	45,203
FUND BALANCES:				
Beginning of year	<u>577,686</u>	<u>121,764</u>	<u>2,149,864</u>	<u>331,607</u>
End of year	<u>\$ 693,145</u>	<u>\$ 100,788</u>	<u>\$ 1,876,399</u>	<u>\$ 376,810</u>

City of Placerville
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds		Total Other Governmental Funds
	Capital Projects	Park Development	
REVENUES:			
Use of money and property	\$ 1,576	\$ 2,019	\$ 46,987
Intergovernmental	-	-	541,365
Charges for services	-	5,417	385,575
Grant revenues	139,631	-	243,790
Total revenues	<u>141,207</u>	<u>7,436</u>	<u>1,217,717</u>
EXPENDITURES:			
Current:			
General government	272,413	-	339,682
Public safety	118,597	-	118,597
Highways and streets	-	-	618,889
Parks and recreation	19,340	-	52,150
Total expenditures	<u>410,350</u>	<u>-</u>	<u>1,129,318</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(269,143)</u>	<u>7,436</u>	<u>88,399</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from finance purchase agreement	434,949	-	434,949
Transfers in	187,105	41,768	237,529
Transfers out	-	-	(492,541)
Total other financing sources (uses)	<u>622,054</u>	<u>41,768</u>	<u>179,937</u>
CHANGE IN FUND BALANCES	352,911	49,204	268,336
FUND BALANCES:			
Beginning of year	<u>209,110</u>	<u>121,684</u>	<u>3,511,715</u>
End of year	<u>\$ 562,021</u>	<u>\$ 170,888</u>	<u>\$ 3,780,051</u>

(Concluded)

City of Placerville
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget Comparison Schedules-Gas Tax Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Use of money and property	\$ 1,900	\$ 1,900	\$ 12,333	\$ 10,433
Intergovernmental	590,486	538,922	541,365	2,443
Total Revenues	592,386	540,822	553,698	12,876
EXPENDITURES:				
Current:				
Highways and streets	-	304,450	70,698	233,752
Total Expenditures	-	304,450	70,698	233,752
REVENUES OVER (UNDER) EXPENDITURES	592,386	236,372	483,000	246,628
OTHER FINANCING SOURCES (USES):				
Transfers out	(342,298)	-	(367,541)	(367,541)
Total Other Financing Sources (Uses)	(342,298)	-	(367,541)	(367,541)
Change in Fund Balance	\$ 250,088	\$ 236,372	115,459	\$ (120,913)
Fund Balance:				
Beginning of year			577,686	
End of year			\$ 693,145	

City of Placerville
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget Comparison Schedules-Parking District Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Fines and forfeitures	\$ 96,062	\$ 75,460	\$ -	\$ (75,460)
Use of money and property	1,488	1,488	1,360	(128)
Charges for services	212,252	206,743	222,787	16,044
Total Revenues	309,802	283,691	224,147	(59,544)
EXPENDITURES:				
Current:				
General government	96,142	96,212	67,269	28,943
Highways and streets	140,389	143,112	186,510	(43,398)
Total Expenditures	236,531	239,324	253,779	(14,455)
REVENUES OVER (UNDER) EXPENDITURES	73,271	44,367	(29,632)	(73,999)
OTHER FINANCING SOURCES (USES):				
Transfers in	8,656	8,656	8,656	-
Transfers out	(8,395)	(8,395)	-	8,395
Total Other Financing Sources (Uses)	261	261	8,656	8,395
Change in Fund Balance	\$ 73,532	\$ 44,628	(20,976)	\$ (65,604)
Fund Balance:				
Beginning of year			121,764	
End of year			\$ 100,788	

City of Placerville
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget Comparison Schedules-Development Impact Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Use of money and property	\$ -	\$ 24,000	\$ 24,259	\$ 259
Charges for services	-	74,000	74,957	957
Grant revenues	-	104,000	104,159	159
Total Revenues	-	202,000	203,375	1,375
EXPENDITURES:				
Current:				
Highways and streets	-	352,000	351,840	160
Total Expenditures	-	352,000	351,840	160
REVENUES OVER (UNDER) EXPENDITURES	-	(150,000)	(148,465)	1,535
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(125,000)	(125,000)	-
Total Other Financing Sources (Uses)	-	(125,000)	(125,000)	-
Change in Fund Balance	\$ -	\$ (275,000)	(273,465)	\$ 1,535
Fund Balance:				
Beginning of year			2,149,864	
End of year			\$ 1,876,399	

City of Placerville
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget Comparison Schedules-BAD, CFD, & LLMD Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Use of money and property	\$ 1,462	\$ 1,098	\$ 5,440	\$ 4,342
Charges for services	79,386	62,954	82,414	19,460
Total Revenues	80,848	64,052	87,854	23,802
EXPENDITURES:				
Current:				
Highways and streets	46,331	16,655	9,841	6,814
Parks and recreation	34,517	35,996	32,810	3,186
Total Expenditures	80,848	52,651	42,651	10,000
Change in Fund Balance	\$ -	\$ 11,401	45,203	\$ 33,802
Fund Balance:				
Beginning of year			331,607	
End of year			\$ 376,810	

City of Placerville
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget Comparison Schedules-Capital Projects Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Use of money and property	\$ -	\$ 500	\$ 1,576	\$ 1,076
Grant revenues	-	-	139,631	(139,631)
Total Revenues	-	500	141,207	(138,555)
EXPENDITURES:				
Current:				
General government	-	275,000	272,413	2,587
Public safety	-	120,000	118,597	1,403
Parks and recreation	-	20,000	19,340	660
Total Expenditures	-	415,000	410,350	4,650
REVENUES OVER (UNDER) EXPENDITURES	-	(414,500)	(269,143)	(133,905)
OTHER FINANCING SOURCES (USES):				
Proceeds from finance purchase agreement	-	-	434,949	434,949
Transfers in	184,067	184,067	187,105	3,038
Total Other Financing Sources (Uses)	184,067	184,067	622,054	3,038
Change in Fund Balance	\$ 184,067	\$ (230,433)	352,911	\$ (130,867)
Fund Balance:				
Beginning of year			209,110	
End of year			<u>\$ 562,021</u>	

City of Placerville
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget Comparison Schedules-Park Development Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance
REVENUES:				
Use of money and property	\$ 750	\$ 2,000	\$ 2,019	\$ 19
Charges for services	10,560	5,400	5,417	17
Total Revenues	11,310	7,400	7,436	36
OTHER FINANCING SOURCES (USES):				
Transfers in	-	42,000	41,768	(232)
Total Other Financing Sources (Uses)	-	42,000	41,768	(232)
Change in Fund Balance	\$ 11,310	\$ 49,400	49,204	\$ (196)
Fund Balance:				
Beginning of year			121,684	
End of year			\$ 170,888	

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