

# **City of Placerville**

Placerville, California

## **Annual Financial Report and Independent Auditors' Reports**

*For the Year Ended June 30, 2022*

Prepared By the  
The Finance Department  
of the City of Placerville



**CITY OF PLACERVILLE**  
**Annual Financial Report**  
**For the Year Ended June 30, 2022**  
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**INDEPENDENT AUDITORS' REPORT**[www.pungroup.cpa](http://www.pungroup.cpa)

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, 2022, 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, 2022, 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***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.

***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 20, 2023, 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 PwC Group, LLP*

Walnut Creek, California  
July 20, 2023

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Placerville, 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, 2022. 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 \$82.55M, an increase of \$2.93M. 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 \$(15.33)M.
- The governmental net position increased by \$2.01M or 3.50%, and the business-type net position increased by \$0.92M or 4.15%.
- Program revenues from governmental activities decreased by \$6.96M or 58.92%. Program revenues from business-type activities increased by \$0.48M or 5.24%. General revenues, net of transfers, increased \$2.13M or 15.40%.

### City Highlights

- Continued construction of the Western Placerville Interchange, Phase 2.2 On-ramp, \$0.67M
- Completed construction of the Conrad Street Sewer Line Replacement-Coloma Street to Cottage Street, \$0.41M
- Completed construction of the Benham Street Pavement Rehabilitation, \$0.21M
- Continued design phase of the Placerville Drive Bicycle & Pedestrian Facility Improvements, \$0.13M
- Began design phase of the Broadway Maintenance, \$0.13M
- Continued design phase of the Placerville Drive Bridge Widening, \$0.12M
- Completed construction of the Hangtown Creek Retaining Wall Repair, \$0.12M
- Continued construction of the Water Valve Replacements, \$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 \$82.55M, an increase of \$2.93M. The governmental net position increased by \$2.01M or 3.50% and the business-type net position increased by \$0.92M or 4.15%. The increase in governmental net position is primarily due to a \$0.46M or 29.24% increase in charges for services and a \$1.80M or 14.41% increase in general revenues and transfers. The City and its contractors completed \$2.88M in capital projects as of June 30, 2022. Please see the "Capital Assets" section below for more details.

#### Net Position

June 30, 2022

*(amounts expressed in thousands)*

	Governmental Activities		Business Type Activities		Total Primary Government	
	FY 20/21	FY 21/22	FY 20/21	FY 21/22	FY 20/21	FY 21/22
Current assets	\$ 10,207	\$ 9,966	\$ 7,493	\$ 10,009	\$ 17,700	\$ 19,975
Restricted Assets	8,030	11,994	1,865	97	9,895	12,091
Capital assets	61,507	63,128	64,641	63,158	126,148	126,286
Total assets	79,744	85,088	73,999	73,264	153,743	158,352
Total Deferred Outflows of Resources	3,789	3,931	842	949	4,631	4,880
Current liabilities	3,816	2,566	2,313	2,556	6,129	5,122
Noncurrent liabilities	21,476	16,529	50,009	45,255	71,485	61,784
Total liabilities	25,292	19,095	52,322	47,811	77,614	66,906
Total Deferred Inflows of Resources	907	10,582	232	3,191	1,139	13,773
<b>Net position:</b>						
Net investment in capital assets	60,719	62,426	18,264	19,992	78,983	82,418
Restricted	10,965	13,240	3,480	2,226	14,445	15,466
Unrestricted (deficit)	(14,350)	(16,324)	543	993	(13,807)	(15,331)
Total net position	\$ 57,334	\$ 59,342	\$ 22,287	\$ 23,211	\$ 79,621	\$ 82,553

### Changes in Net Position

Program revenues from governmental activities decreased \$6.96M or 58.92%. The decrease is primarily due to a \$7.20M decrease in capital and grants and contributions, which are one-time in nature. General revenues, net of transfers, increased \$2.13M or 15.40%. This net increase is primarily due to a \$1.54M or 13.29% increase in local sales tax revenues. Program revenues from business-type activities increased by \$0.48M or 5.24% which was due to a \$0.33M increase in charges for services. Business-type revenues exceeded expenditures by \$0.92M primarily due to the \$0.33M increase in charges for services and a \$0.33M increase in general revenues and transfers. Water Enterprise Fund revenues exceeded expenditures by \$0.38M which was primarily due to a \$0.23M decrease in operating expenses. Sewer Enterprise Fund revenues exceeded expenditures by \$0.03M which was primarily due to a \$0.51M increase operating revenues.

### 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:

**Condensed Statement of Activities and Changes in Net Position**  
**For the year ended June 30, 2022**  
*(amounts expressed in thousands)*

	<b>Net (Expense) Revenue and Changes in Net Position</b>							
	<b>Expenses</b>		<b>Program Revenues</b>		<b>Government Activities</b>		<b>Business-type Activities</b>	
	FY 20/21	FY 21/22	FY 20/21	FY 21/22	FY 20/21	FY 21/22	FY 20/21	FY 21/22
<i>Governmental activities</i>								
General government	\$ 3,129	\$ 7,089	\$ 652	\$ 988	\$ (2,477)	\$ (6,101)		
Public safety	5,300	5,954	510	500	(4,790)	(5,454)		
Highways and streets	1,705	1,199	9,997	2,433	8,292	1,234		
Community development	760	788	324	380	(436)	(408)		
Parks and recreation	1,584	2,100	326	551	(1,258)	(1,549)		
Total governmental activities	12,478	17,130	11,809	4,852	(669)	(12,278)		
<i>Business-type activities</i>								
Water	2,232	2,005	2,523	2,418			291	413
Sewer	6,358	8,344	6,616	7,200			258	(1,144)
Total business-type activities	8,590	10,349	9,139	9,618			549	(731)
Total primary government	\$ 21,068	\$ 27,479	\$ 20,948	\$ 14,470				
General revenues and transfers					12,487	14,286	1,327	1,655
Changes in net position					11,818	2,008	1,876	924
<b>Net Position:</b>								
Beginning of year					45,516	57,334	20,411	22,287
End of year					\$ 57,334	\$ 59,342	\$ 22,287	\$ 23,211

Fiscal Year	Annual Pension Contributions	Aggregate Net Pension Liability
2017/2018	1,420,677	18,742,982
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

Additional information about the City's pension plans can be found in Note 7 – 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 2021/2022, the City's governmental funds reported a combined ending fund balance of \$17.88M an increase of \$4.76M or 36.25%.

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 \$3.22M during Fiscal Year 2021/2022. The Measure L Fund provided \$0.96M 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, 2022 was \$4.43M, an increase of \$1.73M or 63.99% from the prior year. Of the \$4.43M fund balance, \$2.52M is available for contingencies. The \$2.52M unassigned balance represents 27.03% 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 \$0.92M or 4.15% which was primarily due to a \$0.64M increase in charges for services.

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 \$1.59M in Fiscal Year 2021/2022. The Measure H Fund provided \$0.52M for Sewer Enterprise Fund debt service payments and \$0.56M 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 \$43.87M in long term debt outstanding compared to \$47.17M last year, a \$3.30M or 6.99% net decrease. The decrease is primarily due to debt service payments made in Fiscal Year 2021/2022. Details of all debt are included in Note 5 of the *notes to the basic financial statements*.

### **Capital Assets**

Capital asset additions for Fiscal Year 2021/2022 include:

#### Governmental Activities

- Continued construction of the Western Placerville Interchange, Phase 2.2 On-ramp, \$0.67M
- Completed construction of the Benham Street Pavement Rehabilitation, \$0.21M
- Continued design phase of the Placerville Drive Bicycle & Pedestrian Facility Improvements, \$0.13M
- Began design phase of the Broadway Maintenance, \$0.13M
- Continued design phase of the Placerville Drive Bridge Widening, \$0.12M

**Governmental Capital Assets**

**June 30, 2022**

(amounts expressed in thousands)

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<i>Non-Depreciable Assets:</i>					
Land and improvements	\$ 12,960	\$ -	\$ -	\$ -	\$ 12,960
Construction in progress	29,287	2,130	-	-	31,417
Total nondepreciable assets	42,247	2,130	-	-	44,377
<i>Depreciable Assets:</i>					
Buildings and structures	12,892	-	-	-	12,892
Machinery and equipment	3,343	242	-	-	3,585
Infrastructure	15,436	-	-	-	15,436
Total depreciable assets	31,671	242	-	-	31,913
Less accumulated depreciation	(12,411)	(751)	-	-	(13,162)
<b>Total governmental activities</b>	<b>\$ 61,507</b>	<b>\$ 1,621</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 63,128</b>

**Business Type Activities**

- Completed construction of the Conrad Street Sewer Line Replacement-Coloma Street to Cottage Street, \$0.41M
- Completed construction of the Hangtown Creek Retaining Wall Repair, \$0.12M
- Continued construction of the Water Valve Replacements, \$0.11M

**Business-Type Capital Assets**

**June 30, 2022**

(amounts expressed in thousands)

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<i>Non-depreciable Assets:</i>					
Land and improvements	\$ 2,329	\$ -	\$ -	\$ -	\$ 2,329
Construction in progress	4,913	752	-	-	5,665
Total nondepreciable assets	7,242	752	-	-	7,994
<i>Depreciable Assets:</i>					
Buildings and structures	74,392	-	-	-	74,392
Machinery and equipment	1,423	16	-	-	1,439
Infrastructure	54,331	-	-	-	54,331
Total depreciable assets	130,146	16	-	-	130,162
Less accumulated depreciation	(72,747)	(2,251)	-	-	(74,998)
Total depreciable assets, net	57,399	(2,235)	-	-	55,164
<b>Total business-type activities</b>	<b>\$ 64,641</b>	<b>\$ (1,483)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 63,158</b>

## **Other Information**

### **The Placerville Public Financing Authority**

As discussed in Note 13 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, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 1,213,304	\$ 6,365,973	\$ 7,579,277
Receivables:			
Accounts	8,853,103	303,423	9,156,526
Interest	1,759	5,312	7,071
Utility billings, net	-	3,060,096	3,060,096
Inventory	14,048	-	14,048
Prepaid items	158,114	-	158,114
Internal balances	(274,536)	274,536	-
Total current assets	9,965,792	10,009,340	19,975,132
Restricted:			
Cash and investments	9,607,226	-	9,607,226
Deposits held by fiscal agents	169,129	96,778	265,907
Receivables:			
Accounts	1,522,345	-	1,522,345
Interest	8,648	-	8,648
Loans	686,385	-	686,385
Total restricted assets	11,993,733	96,778	12,090,511
Capital assets:			
Non-depreciable	44,377,614	7,994,199	52,371,813
Depreciable, net	18,750,907	55,164,130	73,915,037
Total capital assets, net	63,128,521	63,158,329	126,286,850
<b>Total Assets</b>	<b>85,088,046</b>	<b>73,264,447</b>	<b>158,352,493</b>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows of resources	3,669,216	854,754	4,523,970
OPEB related deferred outflows of resources	261,905	94,354	356,259
<b>Total Deferred Outflows of Resources</b>	<b>3,931,121</b>	<b>949,108</b>	<b>4,880,229</b>

**City of Placerville**  
**Statement of Net Position (Continued)**  
**June 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	913,022	361,914	1,274,936
Payroll and related taxes payable	206,608	-	206,608
Deposits	47,751	34,403	82,154
Interest payable	1,731	96,907	98,638
Unearned revenue	949,224	-	949,224
Current portion of compensated absences	341,934	-	341,934
Current portion of long-term debt	106,030	2,062,939	2,168,969
Total current liabilities	2,566,300	2,556,163	5,122,463
Long-term liabilities:			
Compensated absences	695,853	-	695,853
Claims payable	297,987	-	297,987
Long-term debt, net	596,182	41,103,043	41,699,225
Total OPEB liability	2,862,995	1,031,422	3,894,417
Aggregate net pension liability	12,075,974	3,120,388	15,196,362
Total long-term liabilities	16,528,991	45,254,853	61,783,844
<b>Total Liabilities</b>	19,095,291	47,811,016	66,906,307
<b>Deferred Inflows of Resources</b>			
Pension related deferred inflows of resources	9,759,537	2,895,302	12,654,839
OPEB related deferred inflows of resources	822,085	296,165	1,118,250
<b>Total Deferred Inflows of Resources</b>	10,581,622	3,191,467	13,773,089
<b>Net Position:</b>			
Net investment in capital assets	62,426,309	19,992,347	82,418,656
Restricted:			
Capital projects	-	2,225,752	2,225,752
Special projects and programs	13,239,789	-	13,239,789
Total restricted	13,239,789	2,225,752	15,465,541
Unrestricted (Deficit)	(16,323,844)	992,973	(15,330,871)
<b>Total Net Position</b>	\$ 59,342,254	\$ 23,211,072	\$ 82,553,326

**City of Placerville**  
**Statement of Activities and Changes in Net Position**  
**For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 7,088,536	\$ 747,417	\$ -	\$ 240,615	\$ 988,032
Public safety	5,953,693	100,531	124,503	274,808	499,842
Highways and streets	1,198,921	361,487	499,202	1,572,236	2,432,925
Community development	787,645	378,994	-	1,056	380,050
Parks and recreation	2,099,871	465,227	-	85,461	550,688
<b>Total governmental activities</b>	<b>17,128,666</b>	<b>2,053,656</b>	<b>623,705</b>	<b>2,174,176</b>	<b>4,851,537</b>
<b>Business-type activities:</b>					
Water	2,005,183	2,417,784	-	-	2,417,784
Sewer	8,343,894	7,046,223	-	154,266	7,200,489
<b>Total business-type activities</b>	<b>10,349,077</b>	<b>9,464,007</b>	<b>-</b>	<b>154,266</b>	<b>9,618,273</b>
<b>Total primary government</b>	<b>\$ 27,477,743</b>	<b>\$ 11,517,663</b>	<b>\$ 623,705</b>	<b>\$ 2,328,442</b>	<b>\$ 14,469,810</b>

**City of Placerville**  
**Statement of Activities and Changes in Net Position (Continued)**  
**For the Year Ended June 30, 2022**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ (6,100,504)	\$ -	\$ (6,100,504)
Public safety	(5,453,851)	-	(5,453,851)
Highways and streets	1,234,004	-	1,234,004
Community development	(407,595)	-	(407,595)
Parks and recreation	(1,549,183)	-	(1,549,183)
<b>Total governmental activities</b>	<u>(12,277,129)</u>	<u>-</u>	<u>(12,277,129)</u>
<b>Business-type activities:</b>			
Water	-	412,601	412,601
Sewer	-	(1,143,405)	(1,143,405)
<b>Total business-type activities</b>	<u>-</u>	<u>(730,804)</u>	<u>(730,804)</u>
<b>Total primary government</b>	<u>(12,277,129)</u>	<u>(730,804)</u>	<u>(13,007,933)</u>
 <b>General revenues and transfers:</b>			
Taxes:			
Property	338,868	-	338,868
Sales	11,495,035	1,589,583	13,084,618
Motor vehicle	1,069,199	-	1,069,199
Other	1,179,034	-	1,179,034
Total taxes	<u>14,082,136</u>	<u>1,589,583</u>	<u>15,671,719</u>
Interest and investment earnings	35,873	16,652	52,525
Miscellaneous	130,716	85,503	216,219
Transfers	36,945	(36,945)	-
<b>Total general revenues and transfers</b>	<u>14,285,670</u>	<u>1,654,793</u>	<u>15,940,463</u>
 <b>Changes in net position</b>	<u>2,008,541</u>	<u>923,989</u>	<u>2,932,530</u>
 <b>Net Position:</b>			
Beginning of year	<u>57,333,713</u>	<u>22,287,083</u>	<u>79,620,796</u>
End of year	<u>\$ 59,342,254</u>	<u>\$ 23,211,072</u>	<u>\$ 82,553,326</u>

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## FUND FINANCIAL STATEMENTS

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**GOVERNMENTAL FUND  
FINANCIAL STATEMENTS**

**City of Placerville**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	Major Funds			
	General Fund	Transportation Development Fund	Measure J Fund	Measure L Fund
<b>ASSETS</b>				
Cash and investments	\$ 1,039,903	\$ 34,881	\$ -	\$ -
Receivables:				
Accounts	1,573,572	7,279,531	-	-
Interest	1,759	-	-	-
Prepays	158,114	-	-	-
Inventories	14,048	-	-	-
Due from other funds	491,260	-	-	-
Advances to other funds	1,730,000	-	-	-
Restricted:				
Cash and investments	-	-	138,069	4,926,356
Receivables:				
Accounts	-	-	224,513	455,930
Interest	-	-	235	4,442
Due from other funds	-	-	-	-
Loans	-	-	-	-
<b>Total assets</b>	<b>\$ 5,008,656</b>	<b>\$ 7,314,412</b>	<b>\$ 362,817</b>	<b>\$ 5,386,728</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 330,448	\$ 424,733	\$ 3,300	\$ -
Payroll and related liabilities	206,608	-	-	-
Due to other funds	-	755,906	-	-
Deposits payable	45,492	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	2,315,253	-	-
<b>Total liabilities</b>	<b>582,548</b>	<b>3,495,892</b>	<b>3,300</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	304,618	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>304,618</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	1,902,162	-	-	-
Restricted	-	3,513,902	359,517	5,386,728
Committed	-	-	-	-
Unassigned	2,523,946	-	-	-
<b>Total fund balances</b>	<b>4,426,108</b>	<b>3,513,902</b>	<b>359,517</b>	<b>5,386,728</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,008,656</b>	<b>\$ 7,314,412</b>	<b>\$ 362,817</b>	<b>\$ 5,386,728</b>

**City of Placerville**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2022**

	Major Funds		
	Development	Other	Total
	Impact	Governmental	Governmental
	Fund	Funds	Funds
<b>ASSETS</b>			
Cash and investments	\$ -	\$ -	\$ 1,074,784
Receivables:			
Accounts	-	-	8,853,103
Interest	-	-	1,759
Prepays	-	-	158,114
Inventories	-	-	14,048
Due from other funds	-	-	491,260
Advances to other funds	-	-	1,730,000
Restricted:			
Cash and investments	1,971,577	2,571,224	9,607,226
Receivables:			
Accounts	186,050	655,852	1,522,345
Interest	1,691	2,280	8,648
Due from other funds	-	656	656
Loans	-	686,385	686,385
<b>Total assets</b>	<b>\$ 2,159,318</b>	<b>\$ 3,916,397</b>	<b>\$ 24,148,328</b>
<b>LIABILITIES, DEFERRED INFLOWS</b>			
<b>OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 9,454	\$ 102,938	\$ 870,873
Payroll and related liabilities	-	-	206,608
Due to other funds	-	10,546	766,452
Deposits payable	-	2,259	47,751
Unearned revenue	-	949,224	949,224
Advances from other funds	-	126,157	2,441,410
<b>Total liabilities</b>	<b>9,454</b>	<b>1,191,124</b>	<b>5,282,318</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenues	-	686,385	991,003
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>686,385</b>	<b>991,003</b>
<b>Fund Balances:</b>			
Nonspendable	-	-	1,902,162
Restricted	2,149,864	1,829,778	13,239,789
Committed	-	209,110	209,110
Unassigned	-	-	2,523,946
<b>Total fund balances</b>	<b>2,149,864</b>	<b>2,038,888</b>	<b>17,875,007</b>
<b>Total liabilities, deferred inflows</b>			
<b>    of resources and fund balances</b>	<b>\$ 2,159,318</b>	<b>\$ 3,916,397</b>	<b>\$ 24,148,328</b>

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**City of Placerville**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2022**

<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 17,875,007</b>
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	44,377,614
Depreciable	18,750,907
Total capital assets adjustment	63,128,521
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.	
	(1,731)
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	(695,853)
Claims payable - due in more than one year	(297,987)
Long-term debt - due within one year	(106,030)
Long-term debt - due in more than one year	(596,182)
Total reported in Government-Wide Statement of Net Position	(2,037,986)
Plus: Amount reported in Internal Service Funds	
Claims payable - due in more than one year	297,987
Total reported in Internal Service Funds	297,987
Net long-term liabilities	(1,739,999)
Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	
	(12,075,974)
Total OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds.	
	(2,862,995)
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	3,669,216
Pension-related deferred inflows of resources	(9,759,537)
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	261,905
OPEB-related deferred inflows of resources	(822,085)
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	991,003
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.	
	678,923
<b>Net Position of Governmental Activities</b>	<b>\$ 59,342,254</b>

**City of Placerville**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	Major Funds			
	General	Transportation	Measure J	Measure L
	Fund	Development	Fund	Fund
	Fund	Fund	Fund	Fund
<b>REVENUES:</b>				
Property taxes	\$ 338,868	\$ -	\$ -	\$ -
Sales tax	6,699,052	-	1,589,812	3,206,171
Transient occupancy taxes	272,607	-	-	-
Other taxes	529,685	-	-	-
Franchise fees	376,743	-	-	-
Licenses and permits	195,435	-	-	-
Fines and forfeitures	61,100	-	-	-
Use of money and property	128,006	-	430	9,347
Intergovernmental	1,079,675	879,947	-	-
Charges for services	817,285	-	-	-
Grant revenues	-	-	-	-
Other revenues	567,491	-	-	-
<b>Total revenues</b>	<b>11,065,947</b>	<b>879,947</b>	<b>1,590,242</b>	<b>3,215,518</b>
<b>EXPENDITURES:</b>				
Current:				
General government	2,777,394	-	15,898	-
Public safety	3,245,822	-	1,474,540	-
Highways and streets	633,172	1,714,838	-	-
Community development	738,190	-	-	-
Parks and recreation	1,846,580	-	-	-
<b>Total expenditures</b>	<b>9,241,158</b>	<b>1,714,838</b>	<b>1,490,438</b>	<b>-</b>
<b>REVENUES OVER</b>				
<b>(UNDER) EXPENDITURES</b>	<b>1,824,789</b>	<b>(834,891)</b>	<b>99,804</b>	<b>3,215,518</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	420,899	907,575	-	-
Transfers out	(518,576)	-	-	(960,539)
<b>Total other financing sources (uses)</b>	<b>(97,677)</b>	<b>907,575</b>	<b>-</b>	<b>(960,539)</b>
<b>CHANGES IN FUND BALANCES</b>	<b>1,727,112</b>	<b>72,684</b>	<b>99,804</b>	<b>2,254,979</b>
<b>FUND BALANCES:</b>				
Beginning of year	2,698,996	3,441,218	259,713	3,131,749
End of year	\$ 4,426,108	\$ 3,513,902	\$ 359,517	\$ 5,386,728

**City of Placerville**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	Major Funds		
	Development	Other	Total
	Impact	Governmental	Governmental
	Fund	Funds	Funds
<b>REVENUES:</b>			
Property taxes	\$ -	\$ -	\$ 338,868
Sales tax	-	-	11,495,035
Transient occupancy taxes	-	-	272,607
Other taxes	-	-	529,685
Franchise fees	-	-	376,743
Licenses and permits	-	-	195,435
Fines and forfeitures	-	-	61,100
Use of money and property	3,680	30,038	171,501
Intergovernmental	-	627,538	2,587,160
Charges for services	76,784	325,085	1,219,154
Grant revenues	570,552	524,110	1,094,662
Other revenues	-	-	567,491
<b>Total revenues</b>	<b>651,016</b>	<b>1,506,771</b>	<b>18,909,441</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	193,863	2,987,155
Public safety	-	386,439	5,106,801
Highways and streets	129,425	312,934	2,790,369
Community development	-	-	738,190
Parks and recreation	-	84,801	1,931,381
<b>Total expenditures</b>	<b>129,425</b>	<b>978,037</b>	<b>13,553,896</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>521,591</b>	<b>528,734</b>	<b>5,355,545</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	105,793	1,434,267
Transfers out	-	(554,783)	(2,033,898)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(448,990)</b>	<b>(599,631)</b>
<b>CHANGES IN FUND BALANCES</b>	<b>521,591</b>	<b>79,744</b>	<b>4,755,914</b>
<b>FUND BALANCES:</b>			
Beginning of year	1,628,273	1,959,144	13,119,093
End of year	\$ 2,149,864	\$ 2,038,888	\$ 17,875,007

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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, 2022**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 4,755,914</b>
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.	2,372,181
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.	(750,684)
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.	608
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	85,642
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	(48,494)
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.	4,474,850
The net effect of various miscellaneous transactions involving pension plans (i.e. deferred inflow/outflow amortization, contributions after measurement date) increased net position.	(9,060,514)
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.	354,395
The net effect of various miscellaneous transactions involving OPEB plans (i.e. deferred inflow/outflow amortization, contributions after measurement date) increased net position.	(471,890)
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.	190,821
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.	105,712
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 2,008,541</b>

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## **PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Placerville**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	Major Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Measure H Fund	Total	
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 1,949,100	\$ 2,514,561	\$ 1,902,312	\$ 6,365,973	\$ 138,520
Receivables:					
Accounts	2,775	76,149	224,499	303,423	-
Interest	1,743	1,406	2,163	5,312	-
Utility billings, net	782,194	2,277,902	-	3,060,096	-
Due from other funds	137,723	136,813	-	274,536	-
Advances to other funds	-	-	-	-	711,410
Total current assets	2,873,535	5,006,831	2,128,974	10,009,340	849,930
Noncurrent assets:					
Restricted assets:					
Cash with fiscal agents	61,727	35,051		96,778	169,129
Capital assets:					
Non-depreciable assets	1,746,930	6,247,269	-	7,994,199	-
Depreciable assets, net of accumulated depreciation	6,775,086	48,389,044	-	55,164,130	-
Total capital assets, net	8,522,016	54,636,313	-	63,158,329	-
Total noncurrent assets	8,583,743	54,671,364	-	63,255,107	169,129
<b>Total assets</b>	11,457,278	59,678,195	2,128,974	73,264,447	1,019,059
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension-related deferred outflows of resources	167,057	687,697	-	854,754	-
OPEB-related deferred outflows of resources	26,833	67,521	-	94,354	-
<b>Total deferred outflows of resources</b>	193,890	755,218	-	949,108	-

**City of Placerville**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2022**

	Major Funds				Governmental
	Water	Sewer	Measure H		Activities
	Fund	Fund	Fund	Total	Internal
					Service Funds
<b>LIABILITIES</b>					
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued liabilities	144,092	217,822	-	361,914	42,149
Deposits payable	31,947	2,456	-	34,403	-
Interest payable	559	96,348	-	96,907	-
Claims payable - due within one year	-	-	-	-	297,987
Long term debt - due within one year	23,999	2,038,940	-	2,062,939	-
Total current liabilities	200,597	2,355,566	-	2,556,163	340,136
Noncurrent liabilities:					
Long term debt - due in more than one year	37,710	41,065,333	-	41,103,043	-
Total OPEB liability	293,318	738,104	-	1,031,422	-
Aggregate net pension liability	609,862	2,510,526	-	3,120,388	-
Total noncurrent liabilities	940,890	44,313,963	-	45,254,853	-
<b>Total liabilities</b>	<b>1,141,487</b>	<b>46,669,529</b>	<b>-</b>	<b>47,811,016</b>	<b>340,136</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension-related deferred inflows of resources	565,870	2,329,432	-	2,895,302	-
OPEB-related deferred inflows of resources	84,224	211,941	-	296,165	-
<b>Total deferred inflows of resources</b>	<b>650,094</b>	<b>2,541,373</b>	<b>-</b>	<b>3,191,467</b>	<b>-</b>
<b>Net Position:</b>					
Net investment in capital assets	8,460,307	11,532,040	-	19,992,347	-
Restricted	61,727	35,051	2,128,974	2,225,752	169,129
Unrestricted (deficit)	1,337,553	(344,580)	-	992,973	509,794
<b>Total net position</b>	<b>\$ 9,859,587</b>	<b>\$ 11,222,511</b>	<b>\$ 2,128,974</b>	<b>\$ 23,211,072</b>	<b>\$ 678,923</b>

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**City of Placerville**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	Major Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Measure H Fund	Total	
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 2,410,217	\$ 7,002,123	\$ -	\$ 9,412,340	\$ 530,335
Sales tax	-	-	1,589,583	1,589,583	-
Other operating revenues	8,363	77,140	-	85,503	-
<b>Total operating revenues</b>	<b>2,418,580</b>	<b>7,079,263</b>	<b>1,589,583</b>	<b>11,087,426</b>	<b>530,335</b>
<b>OPERATING EXPENSES:</b>					
General and administrative	275,529	2,175,555	-	2,451,084	1,061,199
Maintenance and operations	1,376,333	3,419,133	-	4,795,466	-
Depreciation	351,017	1,899,524	-	2,250,541	-
<b>Total operating expenses</b>	<b>2,002,879</b>	<b>7,494,212</b>	<b>-</b>	<b>9,497,091</b>	<b>1,061,199</b>
<b>OPERATING INCOME (LOSS)</b>	<b>415,701</b>	<b>(414,949)</b>	<b>1,589,583</b>	<b>1,590,335</b>	<b>(530,864)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Grants	-	154,266	-	154,266	-
Connection fees	7,567	44,100	-	51,667	-
Interest income	3,995	7,984	4,673	16,652	-
Interest expense and fiscal charges	(2,304)	(849,682)	-	(851,986)	-
<b>Total nonoperating revenues (expenses)</b>	<b>9,258</b>	<b>(643,332)</b>	<b>4,673</b>	<b>(629,401)</b>	<b>-</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>424,959</b>	<b>(1,058,281)</b>	<b>1,594,256</b>	<b>960,934</b>	<b>(530,864)</b>
<b>TRANSFERS:</b>					
Transfers in	136,223	1,315,554	-	1,451,777	636,576
Transfers out	(181,585)	(227,403)	(1,079,734)	(1,488,722)	-
<b>Total transfers</b>	<b>(45,362)</b>	<b>1,088,151</b>	<b>(1,079,734)</b>	<b>(36,945)</b>	<b>636,576</b>
<b>CHANGES IN NET POSITION</b>	<b>379,597</b>	<b>29,870</b>	<b>514,522</b>	<b>923,989</b>	<b>105,712</b>
<b>NET POSITION:</b>					
Beginning of year	9,479,990	11,192,641	1,614,452	22,287,083	573,211
End of year	\$ 9,859,587	\$ 11,222,511	\$ 2,128,974	\$ 23,211,072	\$ 678,923

**City of Placerville**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	Major Funds				Governmental
	Water	Sewer	Measure H		Activities
	Fund	Fund	Fund	Total	Internal
					Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers and users	\$ 2,551,950	\$ 6,757,427	\$ -	\$ 9,309,377	\$ 557,886
Cash received from sales taxes	-	-	1,615,113	1,615,113	-
Cash payments to suppliers and employees for goods and services	(1,682,516)	(3,843,010)	-	(5,525,526)	(1,082,208)
Cash received from (paid for) other activities	8,363	77,140	-	85,503	-
<b>Net cash provided by (used in) operating activities</b>	<b>877,797</b>	<b>2,991,557</b>	<b>1,615,113</b>	<b>5,484,467</b>	<b>(524,322)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition of capital assets	(124,401)	(643,423)	-	(767,824)	-
Principal paid on capital-related debt	(22,596)	(3,188,041)	-	(3,210,637)	-
Interest paid on capital-related debt	(2,512)	(1,018,804)	-	(1,021,316)	-
Connection fees	7,567	44,100	-	51,667	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(141,942)</b>	<b>(4,806,168)</b>	<b>-</b>	<b>(4,948,110)</b>	<b>-</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Grants	-	154,266	-	154,266	-
Interfund borrowings	(35,319)	(35,884)	-	(71,203)	8,395
Transfers in	136,223	1,315,554	-	1,451,777	636,576
Transfers (out)	(181,585)	(227,403)	(1,079,734)	(1,488,722)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(80,681)</b>	<b>1,206,533</b>	<b>(1,079,734)</b>	<b>46,118</b>	<b>644,971</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Investment income	2,837	7,147	3,326	13,310	-
<b>Net cash provided by investing activities</b>	<b>2,837</b>	<b>7,147</b>	<b>3,326</b>	<b>13,310</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>658,011</b>	<b>(600,931)</b>	<b>538,705</b>	<b>595,785</b>	<b>120,649</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	1,352,816	3,150,543	1,363,607	5,866,966	187,000
End of year	\$ 2,010,827	\$ 2,549,612	\$ 1,902,312	\$ 6,462,751	\$ 307,649
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>					
Cash and investments	\$ 1,949,100	\$ 2,514,561	\$ 1,902,312	\$ 6,365,973	\$ 138,520
Restricted cash and cash equivalents	61,727	35,051	-	96,778	169,129
<b>Total cash and cash equivalents</b>	<b>\$ 2,010,827</b>	<b>\$ 2,549,612</b>	<b>\$ 1,902,312</b>	<b>\$ 6,462,751</b>	<b>\$ 307,649</b>

**City of Placerville**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	Major Funds				Governmental Activities
	Water Fund	Sewer Fund	Measure H Fund	Total	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</b>					
<b>PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 415,701	\$ (414,949)	\$ 1,589,583	\$ 1,590,335	\$ (530,864)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	351,017	1,899,524	-	2,250,541	-
Changes in operating assets and liabilities:					
Accounts receivable	84,113	(68,703)	25,530	40,940	27,551
Utility billings, net	57,620	(175,993)	-	(118,373)	-
Pension-related deferred outflows	(20,651)	(113,163)	-	(133,814)	-
OPEB-related deferred outflows	7,398	19,461	-	26,859	-
Accounts payable and accrued liabilities	62,411	89,320	-	151,731	(22,987)
Deposits payable	(5,859)	116	-	(5,743)	-
Claims and judgments payable	-	-	-	-	1,978
Total OPEB liability	(29,553)	(82,328)	-	(111,881)	-
Aggregate net pension liability	(635,479)	(529,600)	-	(1,165,079)	-
OPEB-related deferred inflows	522,779	2,219,936	-	2,742,715	-
Pension-related deferred inflows	68,300	147,936	-	216,236	-
Total adjustments	462,096	3,406,506	25,530	3,894,132	6,542
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 877,797</b>	<b>\$ 2,991,557</b>	<b>\$ 1,615,113</b>	<b>\$ 5,484,467</b>	<b>\$ (524,322)</b>

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## **FIDUCIARY FUND FINANCIAL STATEMENTS**

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**City of Placerville**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

		Custodial Funds		
		Public Financing Authority Custodial Fund	Other Custodial Funds	Total
<b>ASSETS</b>				
Cash and investments		\$ 153,306	\$ 492,258	\$ 645,564
Receivables:				
Accounts		331,598	37	331,635
Interest		129	411	540
<b>Total assets</b>		<b>485,033</b>	<b>492,706</b>	<b>977,739</b>
<b>LIABILITIES</b>				
Accounts payable		-	18,534	18,534
		-	18,534	18,534
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments		485,033	474,172	959,205
		<b>\$ 485,033</b>	<b>\$ 474,172</b>	<b>\$ 959,205</b>

**City of Placerville**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2022**

	Custodial Funds		
	Public Financing Authority Custodial Fund	Other Custodial Funds	Total
<b>ADDITIONS:</b>			
Investment income	\$ 320	\$ 860	\$ 1,180
Fee and deposits collected for others	331,598	775,785	1,107,383
<b>Total additions</b>	<u>331,918</u>	<u>776,645</u>	<u>1,108,563</u>
<b>DEDUCTIONS:</b>			
Other	-	659,327	659,327
<b>Total deductions</b>	<u>-</u>	<u>659,327</u>	<u>659,327</u>
<b>NET POSITION:</b>			
Beginning of year	<u>153,115</u>	<u>356,854</u>	<u>509,969</u>
End of year	<u>\$ 485,033</u>	<u>\$ 474,172</u>	<u>\$ 959,205</u>

**NOTES TO THE BASIC  
FINANCIAL STATEMENTS**

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**City of Placerville**  
**Index to the Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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<b><u>NOTE</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>PAGE</u></b>
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**City of Placerville**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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**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 30<sup>th</sup> 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, 2022**

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**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, 2022**

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**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 *Development Impact Fees Special Revenue Fund* is used to account for revenues and expenditures associated with the administration of the traffic impact mitigation fees collected 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, 2022**

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**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 1<sup>st</sup>. The unsecured and secured property tax lien date is January 1. Unsecured property taxes become delinquent on August 31<sup>st</sup>. Secured property taxes are payable in two installments, on November 1<sup>st</sup> and February 1<sup>st</sup> of each year, and become delinquent on December 10<sup>th</sup> and April 10<sup>th</sup>, 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, 2022**

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**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, 2022**

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**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 7). 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, 2020
Measurement Date	June 30, 2021
Measurement Period:	July 1, 2020 to June 30, 2021

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, 2022**

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**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 8). 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, 2022
Measurement Period:	July 1, 2021 to June 30, 2022

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, 2022**

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**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, 2022**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***P. Accounting Changes***

**Implementation of New GASB Pronouncements for the Year Ended June 30, 2022**

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, 2022. 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. 87*

In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of this Statement did not have a material effect on the City's financial statements for the year ended June 30, 2022.

*GASB Statement No. 89*

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2022.

*GASB Statement No. 92*

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2022.

*GASB Statement No. 93*

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2022.

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***P. Accounting Changes (Continued)***

**Implementation of New GASB Pronouncements for the Year Ended June 30, 2022 (Continued)**

*GASB Statement No. 97*

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2022.

**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. 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. Application of this statement is effective for the City's fiscal year ending 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. Application of this statement is effective for the City's fiscal year ending June 30, 2023.

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***P. Accounting Changes (Continued)***

**Upcoming Government Accounting Standards Implementation (Continued)**

*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. Application of this statement is effective for the City’s fiscal year ending 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. Application of this statement is effective for the Authority’s fiscal year ending June 30, 2023.

*GASB Statement No. 100*

In June 2022, 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 2022, 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.

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**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, 2022:

	Primary Government			Fiduciary	
	Governmental Activities	Business-Type Activities	Total	Funds	Total
Cash and investments	\$ 1,213,304	\$ 6,365,973	\$ 7,579,277	\$ 645,564	\$ 8,224,841
Restricted cash and investments	9,607,226	-	9,607,226	-	9,607,226
Cash and investments with fiscal agent	169,129	96,778	265,907	-	265,907
<b>Total</b>	<b>\$ 10,989,659</b>	<b>\$ 6,462,751</b>	<b>\$ 17,452,410</b>	<b>\$ 645,564</b>	<b>\$ 18,097,974</b>

Cash, cash equivalents, and investments, consisted of the following at June 30, 2022:

<b>Cash and cash equivalents:</b>	
Petty cash	\$ 3,395
Demand deposits	2,716,769
<b>Investments:</b>	
Local Agency Investment Fund	15,111,903
Money market funds	265,907
<b>Total</b>	<b>\$ 18,097,974</b>

**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, 2022, the carrying amount of the City's deposits was \$2,716,769. Bank balances before reconciling items were \$3,022,387 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.

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 2 – Cash and Investments (Continued)**

**C. Investments**

[Yesterday 11:23 AM] Ross Gotthoffer

At June 30, 2022, 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, 2022:

<b>Investment Type</b>	<b>Total as of June 30, 2022</b>	<b>Percentage of Investments</b>	<b>Measurement Inputs</b>
Local Agency Investment Fund	\$ 15,111,903	98.27%	Not applicable
Money market funds	265,907	1.73%	Not applicable
<b>Total</b>	<b>\$ 15,377,810</b>		

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 ladderred 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 \$265,907 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.

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 2 – Cash and Investments (Continued)**

**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, 2022, the City's pooled cash and investments had the following maturities:

	<u>Amount</u>	<u>Maturities 1 year or less</u>
<b>Cash and cash equivalent:</b>		
Petty cash	\$ 3,395	\$ 3,395
Demand deposits	2,716,769	2,716,769
<b>Investments:</b>		
Local Agency Investment Fund	15,111,903	15,111,903
Money market funds	265,907	265,907
<b>Total</b>	<u>\$ 18,097,974</u>	<u>\$ 18,097,974</u>

*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.

		<u>Credit Quality Ratings</u>	
	<u>Amount</u>	<u>Moody's</u>	<u>Standard &amp; Poor's</u>
<b>Investments:</b>			
Local Agency Investment Fund	\$ 15,111,903	Not Rated	Not Rated
Money market funds	265,907	Not Rated	Not Rated
<b>Total</b>	<u>\$ 15,377,810</u>		

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. Fair Value of Investments**

The City's investments are carried at fair market value instead of cost. Accordingly, the City adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end and the effects of these adjustments are included as income for the fiscal year. Changes in value in the fiscal year ended June 30, 2022, amounted to an unrealized loss of \$(194,559).

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 2 – Cash and Investments (Continued)**

**F. Investments in Local Agency Investment Fund**

The City's investments with Local Agency Investment Funds (LAIF) at June 30, 2022, 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, 2022, the City had \$15,111,903 invested in LAIF, which had invested 1.88% of the pooled investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 0.987125414 was used to calculate the fair value of the investments in LAIF.

**Note 3 – Interfund Transactions**

**A. Due From and To Other Funds**

At June 30, 2022, the City had the following short-term interfund receivables and payables:

Due To			
Governmental Activities			
Due From	Transportation Development	Non-Major	Total
Governmental Activities			
General Fund	\$ 480,714	10,546	\$ 491,260
Non-major Funds	656	-	656
Business-Type Activities			
Water Fund	137,723	-	137,723
Sewer Fund	136,813	-	136,813
Totals	\$ 755,906	\$ 10,546	\$ 766,452

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.

**B. Long-Term Advances**

At June 30, 2022, 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	126,157	711,410
Totals	\$ 2,315,253	\$ 126,157	\$ 2,441,410

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

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 3 – Interfund Transactions (Continued)**

**C. Transfers In and Out**

For the year ended June 30, 2022, the City had the following transfers:

Transfers In							
Transfers Out	Governmental Activities				Business-Type Activities		Total
	General	Transportation Development	Non-Major	Internal Service	Water	Sewer	
Governmental Activities							
General Fund	\$ -	\$ 193,663	\$ 97,325	\$ 227,588	\$ -	\$ -	\$ 518,576
Measure L Fund	-	657,061	-	-	115,174	188,304	960,539
Non-Major Funds	420,899	56,851	8,468	-	21,049	47,516	554,783
Business-Type Activities							
Water Fund	-	-	-	181,585	-	-	181,585
Sewer Fund	-	-	-	227,403	-	-	227,403
Measure H Fund	-	-	-	-	-	1,079,734	1,079,734
Totals	\$ 420,899	\$ 907,575	\$ 105,793	\$ 636,576	\$ 136,223	\$ 1,315,554	\$ 3,522,620

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

**Note 4 – Capital Assets**

**A. Government-Wide Financial Statements**

At June 30, 2022, 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	31,418,292	5,665,225	37,083,517
Total non-depreciable assets	44,377,614	7,994,199	52,371,813
Depreciable Assets:			
Building and structures	12,892,021	74,391,284	87,283,305
Machinery and equipment	3,583,932	1,439,071	5,023,003
Infrastructure	15,436,672	54,331,555	69,768,227
	31,912,625	130,161,910	162,074,535
Less accumulated depreciation	(13,161,718)	(74,997,780)	(88,159,498)
Total depreciable assets, net	18,750,907	55,164,130	73,915,037
Total capital assets	\$ 63,128,521	\$ 63,158,329	\$ 126,286,850

In fiscal year ended June 30, 2022, 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.

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 4 – Capital Assets (Continued)**

**A. Government-Wide Financial Statements (Continued)**

**Governmental Activities**

The following is a summary of changes in capital assets for governmental activities:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Non-Depreciable Assets:					
Land and improvements	\$ 12,959,322	\$ -	\$ -	\$ -	\$ 12,959,322
Construction in progress	29,287,893	2,130,399	-	-	31,418,292
Total non-depreciable assets	42,247,215	2,130,399	-	-	44,377,614
Depreciable Assets:					
Building and structures	12,892,021	-	-	-	12,892,021
Machinery and equipment	3,342,150	241,782	-	-	3,583,932
Infrastructure	15,436,672	-	-	-	15,436,672
Total depreciable assets	31,670,843	241,782	-	-	31,912,625
Less accumulated depreciation	(12,411,034)	(750,684)	-	-	(13,161,718)
Total depreciable assets, net	19,259,809	(508,902)	-	-	18,750,907
Total capital assets	\$ 61,507,024	\$ 1,621,497	\$ -	\$ -	\$ 63,128,521

Depreciation expense in governmental activities for capital assets for the year ended June 30, 2022 was as follows:

General government	\$ 250,699
Public safety	81,966
Highways and street	354,112
Community Development	26,884
Parks and recreation	37,023
Total	<u>\$ 750,684</u>

**Business-Type Activities**

The following is a summary of changes in capital assets for business-type activities:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Non-Depreciable Assets:					
Land and improvements	\$ 2,328,974	\$ -	\$ -	\$ -	\$ 2,328,974
Construction in progress	4,913,371	751,854	-	-	5,665,225
Total non-depreciable assets	7,242,345	751,854	-	-	7,994,199
Depreciable Assets:					
Building and structures	74,391,284	-	-	-	74,391,284
Machinery and equipment	1,423,101	15,970	-	-	1,439,071
Infrastructure	54,331,555	-	-	-	54,331,555
Total depreciable assets	130,145,940	15,970	-	-	130,161,910
Less accumulated depreciation	(72,747,239)	(2,250,541)	-	-	(74,997,780)
Total depreciable assets, net	57,398,701	(2,234,571)	-	-	55,164,130
Total capital assets	\$ 64,641,046	\$ (1,482,717)	\$ -	\$ -	\$ 63,158,329

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 4 – Capital Assets (Continued)**

**A. Government-Wide Financial Statements (Continued)**

**Business-Type Activities (Continued)**

Business-type activities depreciation expense for capital assets for the year ended June 30, 2022, were as follows:

Water	\$ 351,017
Sewer	1,899,524
Total	<u>\$ 2,250,541</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.

**Note 5 – Long-Term Debt**

**A. Government-Wide Financial Statements**

Following is a summary of all long-term debt balances for the fiscal year ended June 30, 2022:

	Governmental Activities	Business-Type Activities	Total
Long-term debt, due within one year	\$ 106,030	\$ 2,062,939	\$ 2,168,969
Noncurrent portion of long-term debt			
2006 State Revolving Loan	-	26,178,326	26,178,326
2015 Equipment Lease	68,565	53,822	122,387
2019 Equipment Lease	35,640	19,199	54,839
2019 CEC Loan	491,977	151,996	643,973
2022 Sewer Revenue Bonds	-	14,699,700	14,699,700
Total noncurrent portion of long-term debt	596,182	41,103,043	41,699,225
Total long-term debt	<u>\$ 702,212</u>	<u>\$ 43,165,982</u>	<u>\$ 43,868,194</u>

**Governmental Activities**

Following is a summary of governmental activity long-term debt transactions during the fiscal year ended June 30, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due within one year	Due in more than one year
2015 Equipment Finance Purchase	\$ 137,170	\$ -	\$ 33,800	\$ 103,370	\$ 34,805	\$ 68,565
2019 Equipment Finance Purchase	104,474	-	33,849	70,625	34,985	35,640
2019 CEC Loan	546,210	-	17,993	528,217	36,240	491,977
Total	<u>\$ 787,854</u>	<u>\$ -</u>	<u>\$ 85,642</u>	<u>\$ 702,212</u>	<u>\$ 106,030</u>	<u>\$ 596,182</u>

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 5 – Long-Term Debt (Continued)**

**A. Government-Wide Financial Statements (Continued)**

**Business-Type Activities**

Following is a summary of business-type activity long-term debt transactions during the fiscal year ended June 30, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due within one year	Due in more than one year
2006 State Revolving Loan	\$ 29,235,588	\$ -	\$ 1,528,631	\$ 27,706,957	\$ 1,528,631	\$ 26,178,326
2006 Sewer Revenue Bonds	16,815,000	-	16,815,000	-	-	-
2015 Equipment Finance Purchase	100,636	-	23,064	77,572	23,750	53,822
2019 Equipment Finance Purchase	55,200	-	17,606	37,594	18,395	19,199
2019 CEC Loan	170,195	-	6,036	164,159	12,163	151,996
2022 Sewer Revenue Bonds	-	15,179,700	-	15,179,700	480,000	14,699,700
Total	<u>\$ 46,376,619</u>	<u>\$ 15,179,700</u>	<u>\$ 18,390,337</u>	<u>\$ 43,165,982</u>	<u>\$ 2,062,939</u>	<u>\$ 41,103,043</u>

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/insert 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
2023	\$ 58,555	\$ 4,913	\$ 63,468
2024	60,296	3,171	63,467
2025	62,091	1,378	63,469
Total	<u>\$ 180,942</u>	<u>\$ 9,462</u>	<u>\$ 190,404</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
2023	\$ 53,380	\$ 2,993	\$ 56,373
2024	54,839	1,292	56,131
Total	<u>\$ 108,219</u>	<u>\$ 4,285</u>	<u>\$ 112,504</u>

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 5 – Long-Term Debt (Continued)**

**A. Government-Wide Financial Statements (Continued)**

**Business-Type Activities (Continued)**

Finance Purchase Agreements (Continued)

The City entered into two 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:

Machinery and equipment	\$ 964,380
Assets under finance purchase agreement, at cost	964,380
Accumulated depreciation	(657,844)
Assets under finance purchase agreement, net	<u>\$ 306,536</u>

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 \$15,179,700. 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, 2022**

**Note 5 – 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
2023	\$ 480,000	\$ 367,269	\$ 847,269
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
2028-2032	6,698,500	1,268,730	7,967,230
2033-2035	4,901,000	222,681	5,123,681
Total	<u>\$ 15,179,700</u>	<u>\$ 3,449,996</u>	<u>\$ 18,629,696</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, 2022, required 31.49% of net revenues. The total remaining principal to be paid on the loan is \$27,706,957. Principal paid for the current year and total net revenues were \$1,528,631 and \$4,854,856 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
2023	\$ 1,528,631	\$ -	\$ 1,528,631
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
2028-2032	7,643,156	-	7,643,156
2033-2037	7,643,156	-	7,643,156
2038-2040	4,777,490	-	4,777,490
Total	<u>\$ 27,706,957</u>	<u>\$ -</u>	<u>\$ 27,706,957</u>

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 5 – 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
2023	\$ 48,403	\$ 6,564	\$ 54,967
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
2028-2032	259,528	15,311	274,839
2033-2035	185,949	2,850	188,799
Total	<u>\$ 692,376</u>	<u>\$ 46,098</u>	<u>\$ 738,474</u>

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

Year Ending June 30,	Principal	Interest	Total
2023	\$ 2,168,969	\$ 381,739	\$ 2,550,708
2024	2,281,638	441,274	2,722,912
2025	2,351,800	418,237	2,770,037
2026	2,415,504	393,211	2,808,715
2027	2,541,504	365,808	2,907,312
2028-2032	14,601,184	1,284,041	15,885,225
2033-2037	12,730,105	225,531	12,955,636
2038-2040	4,777,490	-	4,777,490
Total	<u>\$ 43,868,194</u>	<u>\$ 3,509,841</u>	<u>\$ 47,378,035</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, 2022**

**Note 6 – 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 \$1,037,787. The City primarily uses the General Fund to liquidate compensated absences.

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Classification	
					Due within one year	Due in more than one year
<b>Governmental Activities:</b>						
Compensated Absences	\$ 989,293	\$ 424,425	\$ (375,931)	\$ 1,037,787	\$ 341,934	\$ 695,853
Total	<u>\$ 989,293</u>	<u>\$ 424,425</u>	<u>\$ (375,931)</u>	<u>\$ 1,037,787</u>	<u>\$ 341,934</u>	<u>\$ 695,853</u>

**Note 7 – 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, 2022:

	Governmental Activities	Business-Type Activities	Total
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 899,906	\$ 424,564	\$ 1,324,470
CalPERS Safety	850,316	-	850,316
Total pension contribution made after measurement date	<u>1,750,222</u>	<u>424,564</u>	<u>2,174,786</u>
Adjustment due to difference in proportions:			
CalPERS Safety	73,987	-	73,987
Total adjustment due to difference in proportions	<u>73,987</u>	<u>-</u>	<u>73,987</u>
Difference between expected and actual experience:			
CalPERS Miscellaneous	741,686	349,919	1,091,605
CalPERS Safety	933,177	-	933,177
Total difference between expected and actual experience	<u>1,674,863</u>	<u>349,919</u>	<u>2,024,782</u>
Employer contributions in excess of proportionate share of contribution:			
CalPERS Miscellaneous	170,144	80,271	250,415
Total employer contributions in excess of proportionate share of contribution	<u>170,144</u>	<u>80,271</u>	<u>250,415</u>
Total deferred outflows of resources:			
CalPERS Miscellaneous	1,811,736	854,754	2,666,490
CalPERS Safety	1,857,480	-	1,857,480
Total deferred outflows of resources	<u>\$ 3,669,216</u>	<u>\$ 854,754</u>	<u>\$ 4,523,970</u>
<b>Net pension liabilities:</b>			
CalPERS Miscellaneous	\$ 6,613,979	\$ 3,120,388	\$ 9,734,367
CalPERS Safety	5,461,995	-	5,461,995
Total net pension liabilities	<u>\$ 12,075,974</u>	<u>\$ 3,120,388</u>	<u>\$ 15,196,362</u>

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 7 – Public Employees’ Retirement System (Continued)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred inflows of Resources:</b>			
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	\$ 5,773,655	2,723,933	\$ 8,497,588
CalPERS Safety	3,250,937	-	3,250,937
Total projected earnings on pension plan investments in excess of actual earnings	9,024,592	2,723,933	11,748,525
Adjustment due to difference in proportions:			
CalPERS Miscellaneous	363,234	171,369	534,603
CalPERS Safety	-	-	-
Total adjustment due to difference in proportions	363,234	171,369	534,603
Employer contributions in excess of proportionate share of contribution:			
CalPERS Safety	371,711	-	371,711
Total employer contributions in excess of proportionate share of contribution	371,711	-	371,711
Total deferred inflows of resources:			
CalPERS Miscellaneous	6,136,889	2,895,302	9,032,191
CalPERS Safety	3,622,648	-	3,622,648
Total deferred inflows of resources	<u>\$ 9,759,537</u>	<u>\$ 2,895,302</u>	<u>\$ 12,654,839</u>
<b>Pension expenses:</b>			
CalPERS Miscellaneous	\$ 4,662,400	\$ 2,199,658	\$ 6,862,058
CalPERS Safety	1,414,871	-	1,414,871
Total net pension expenses	<u>\$ 6,077,271</u>	<u>\$ 2,199,658</u>	<u>\$ 8,276,929</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, 2022**

**Note 7 – 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, 2021 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	18	3	35	4	2	12
Transferred and terminated employees	51	11	23	24	3	3
Retired employees and beneficiaries	93	4	3	57	-	3
Total	162	18	61	85	5	18

**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, 2022**

**Note 7 – Public Employees’ Retirement System (Continued)**

**Pension Plans (Continued)**

**Benefits Provided (Continued)**

Following are the benefit provisions for each plan:

	Miscellaneous	Miscellaneous	Miscellaneous	Safety	Safety	Safety
	Miscellaneous	Second Tier	PEPRA	Safety	Second Tier	PEPRA
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%	10.650%	7.650%	22.480%	20.640%	13.130%

**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, 2022, the plan’s employer contributions made for each Plan was as follows:

Miscellaneous	\$ 1,324,470
Safety	850,316
	<u>\$ 2,174,786</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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2022**

**Note 7 – 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:

	<b>Plan Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Miscellaneous</b>			
Balance at: 6/30/20 (Measurement date)	34,800,361	22,035,899	12,764,462
Balance at: 6/30/21 (Measurement date)	35,544,963	25,810,596	9,734,367
Net changes during 2020-2021	744,602	3,774,697	(3,030,095)
<b>Safety</b>			
Balance at: 6/30/20 (Measurement date)	25,806,010	17,734,181	8,071,829
Balance at: 6/30/21 (Measurement date)	26,839,397	21,377,402	5,461,995
Net changes during 2020-2021	1,033,387	3,643,221	(2,609,834)
Total net changes during 2020-2021	1,777,989	7,417,918	(5,639,929)

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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2020 and 2021 was as follows:

	<b>Miscellaneous</b>	<b>Safety</b>	<b>Total</b>
Proportion - June 30, 2020	0.30261%	0.12116%	0.42377%
Proportion - June 30, 2021	0.51266%	0.15564%	0.66829%
Change - Increase/(Decrease)	0.21005%	0.03448%	0.24452%

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 7 – 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, 2022, the City recognized pension expense of \$6,862,058 and \$1,414,871, for the Miscellaneous and Safety plans, respectively. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Miscellaneous Plans</b>		
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 1,324,470	\$ -
Difference between projected and actual earning on pension plan investments	-	8,497,588
Adjustment due to differences in proportions	-	534,603
Difference between actual and expected experience	1,091,605	-
Difference between employer's actual contributions and proportionate share of contributions	250,415	-
Total	<u>\$ 2,666,490</u>	<u>\$ 9,032,191</u>
<b>Safety Plans</b>		
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 850,316	\$ -
Difference between projected and actual earning on pension plan investments	-	3,250,937
Adjustment due to differences in proportions	73,987	-
Difference between actual and expected experience	933,177	-
Difference between employer's actual contributions and proportionate share of contributions	-	371,711
Total	<u>\$ 1,857,480</u>	<u>\$ 3,622,648</u>
<b>Aggregate Total</b>		
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 2,174,786	\$ -
Difference between projected and actual earning on pension plan investments	-	11,748,525
Adjustment due to differences in proportions	73,987	534,603
Changes in assumptions	-	-
Difference between actual and expected experience	2,024,782	-
Difference between employer's actual contributions and proportionate share of contributions	250,415	371,711
Total	<u>\$ 4,523,970</u>	<u>\$ 12,654,839</u>

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 7 – 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, \$1,324,470 and \$850,316, 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, 2022). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30,</b>	<b>Miscellaneous Plans</b>	<b>Safety Plans</b>	<b>Total</b>
2023	\$ (1,598,479)	\$ (467,673)	\$ (2,066,152)
2024	(1,763,812)	(542,253)	(2,306,065)
2025	(1,979,585)	(710,945)	(2,690,530)
2026	(2,348,295)	(894,613)	(3,242,908)
	<u>\$ (7,690,171)</u>	<u>\$ (2,615,484)</u>	<u>\$ (10,305,655)</u>

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.25%
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 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the experience study can be found on the CalPERS website.

**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.

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 7 – Public Employees’ Retirement System (Continued)**

**Pension Plans (Continued)**

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

**Discount Rate (Continued)**

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.

<b>Asset Class</b>	<b>Strategic Allocation</b>	<b>Real Return Years</b>	<b>Real Return Years</b>
		<b>1 - 10 <sup>1</sup></b>	<b>11 + <sup>2</sup></b>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

<sup>1</sup> An expected inflation of 2.00% was used for this period.

<sup>2</sup> An expected inflation of 2.92% was used for this period.

The discount rate used to measure the total pension liability was 7.15% for the plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% 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.

The long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.00%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. The difference was deemed immaterial to the Public Agency Cost Sharing Multiple-Employer Defined Benefit Pension Plan.

**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:

	<b>Plan's Net Pension Liability/(Asset)</b>		
	<b>Discount Rate - 1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate + 1% (8.15%)</b>
Miscellaneous	\$ 14,427,401	\$ 9,734,367	\$ 5,854,703
Safety	\$ 9,074,809	\$ 5,461,995	\$ 2,494,514
Total	\$ 23,502,210	\$ 15,196,362	\$ 8,349,217

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 7 – Public Employees’ Retirement System (Continued)**

**Pension Plans (Continued)**

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

**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, 2022, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2022.

**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 \$20,500 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 \$3,363,765 at June 30, 2022, 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 \$488,398 as of June 30, 2022.

**Note 8 – Post-Retirement Medical Care Benefits**

**A. Summary**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred outflows of Resources:</b>			
Changes in assumptions	\$ 261,905	\$ 94,354	\$ 356,259
Total deferred outflows of resources	<u>\$ 261,905</u>	<u>\$ 94,354</u>	<u>\$ 356,259</u>
<b>Total OPEB Liability</b>	<u>\$ 2,862,995</u>	<u>\$ 1,031,422</u>	<u>\$ 3,894,417</u>
<b>Deferred inflows of Resources:</b>			
Changes in assumptions	\$ 29,507	\$ 10,630	\$ 40,137
Difference between actual and expected experience	792,578	285,535	1,078,113
Total deferred inflows of resources	<u>\$ 822,085</u>	<u>\$ 296,165</u>	<u>\$ 1,118,250</u>
<b>OPEB Expense</b>	<u>\$ 116,485</u>	<u>\$ 323,336</u>	<u>\$ 439,821</u>

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 8 – Post-Retirement Medical Care Benefits (Continued)**

***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, 2019, actuarial valuation study performed by Demsey, Filliger & Associates.

***D. Total OPEB Liability***

The City's total OPEB liability was measured as of June 30, 2022. 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, 2022 was:

Total OPEB Liability	\$ 3,894,417
Total OPEB Liability	<u><u>\$ 3,894,417</u></u>

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 8 – Post-Retirement Medical Care Benefits (Continued)**

***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	3.69%
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	RP-2014 Healthy Annuitant Mortality, without projection
Pre-retirement turnover	Ranging from 1.3% to 10.8% based on termination rates under the Crocker-Sarason Table T-5 less mortality, increased by 40% at all ages.
Healthcare Trend Rate	An annual healthcare cost trend rate of 5.9% initially reduced by decrements to an ultimate of 5.0% therefore.

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. 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.

***G. Change in the Total OPEB Liability***

	<b>Total OPEB Liability</b>
Balance at June 30, 2021 (measurement date)	\$ 4,360,693
Changes Recognized for the Measurement Period:	
Service Cost	417,308
Interest on the total OPEB liability	87,589
Difference between expected and actual experience	(741,377)
Changes in assumptions	(20,633)
Benefit payments	(209,163)
Net changes during July 1, 2021 to June 30, 2022	(466,276)
Balance at June 30, 2022 (measurement date)	<u>\$ 3,894,417</u>

*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 (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current discount rate:

<b>Total OPEB Liability/(Asset)</b>		
<b>Discount Rate - 1% (2.69%)</b>	<b>Current Discount Rate (3.69%)</b>	<b>Discount Rate + 1% (4.69%)</b>
\$ 4,245,705	\$ 3,894,417	\$ 3,580,459

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

**Note 8 – Post-Retirement Medical Care Benefits (Continued)**

***G. Change in the Total OPEB Liability (Continued)***

*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)
\$ 3,508,334	\$ 3,894,417	\$ 4,355,826

***H. 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 2022, the City contributed \$209,163 to the plan for current premiums.

***I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$385,214. At June 30, 2022, 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	\$ -	\$ 1,078,113
Changes in assumptions	356,259	40,137
	<u>\$ 356,259</u>	<u>\$ 1,118,250</u>

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, 2021, 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, 2022**

**Note 8 – Post-Retirement Medical Care Benefits (Continued)**

***I. 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 June 30	Amount
2023	\$ (110,271)
2024	(108,208)
2025	(123,219)
2026	(123,219)
2027	(79,354)
Thereafter	(217,720)
Total	<u>\$ (761,991)</u>

**Note 9 – Classification of Fund Balance and Other Fund Disclosures**

In governmental funds, fund balances are classified as follows:

	Major Funds						
	General Fund	Transportation Development Fund	Measure J Fund	Measure L Fund	Development Impact Fees Fund	Non-Major Funds	Total
<i>Nonspendable</i>							
Prepaid items	\$ 158,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,114
Advances to other funds	1,730,000	-	-	-	-	-	1,730,000
Inventories	14,048	-	-	-	-	-	14,048
Total	<u>1,902,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,902,162</u>
<i>Restricted</i>							
Transportation	-	3,513,902	-	5,386,728	-	-	8,900,630
Police services	-	-	359,517	-	-	-	359,517
Gas Tax	-	-	-	-	-	577,686	577,686
Development Impact	-	-	-	-	2,149,864	-	2,149,864
Parking District	-	-	-	-	-	121,764	121,764
Grants	-	-	-	-	-	677,037	677,037
BAD, CFD, & LLMD	-	-	-	-	-	331,607	331,607
Park Development	-	-	-	-	-	121,684	121,684
Total	<u>-</u>	<u>3,513,902</u>	<u>359,517</u>	<u>5,386,728</u>	<u>2,149,864</u>	<u>1,829,778</u>	<u>13,239,789</u>
<i>Committed</i>							
Capital projects	-	-	-	-	-	209,110	209,110
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,110</u>	<u>209,110</u>
<i>Unassigned</i>	2,523,946	-	-	-	-	-	2,523,946
<b>Total fund balances</b>	<u>\$ 4,426,108</u>	<u>\$ 3,513,902</u>	<u>\$ 359,517</u>	<u>\$ 5,386,728</u>	<u>\$ 2,149,864</u>	<u>\$ 2,038,888</u>	<u>\$ 17,875,007</u>

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 9 – 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, 2022 as follows:

<u>Fund</u>	<u>Amount</u>
Governmental Activities	
Transportation Development Fund	\$ 1,222,453
Development Impact Fund	82,505
Non-Major Funds	192,364
Business Type Activities	
Water Fund	9,500
Sewer Fund	121,498
Total encumbrances	<u>\$ 1,628,320</u>

**Capital Commitments**

The City is undertaking a number of capital improvement projects. However, there are no capital project commitments at June 30, 2022.

**Net Position Deficit**

The City's governmental activities had an unrestricted net position (deficit) of \$(16,323,844) as of June 30, 2022. This is mainly due to reporting of net pension liability of \$(12,075,974) as required under GASB Statement No. 68 (Note 7) and reporting of Total OPEB liability of \$(2,862,995) as required under GASB Statement No. 75 (Note 8).

**Expenditures in Excess of Appropriations**

The following funds report expenditures in excess of appropriations for the year ended June 30, 2022.

<u>Fund</u>	<u>Excess</u>
Measure J	\$ 276,873
Gas Tax	85,031
Parking District	49,400
Grants	153,201
Capital Projects	(1,931)

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 10 – 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, 2020, 2021, and 2022:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments For Current and Prior Years	End of Year Liability
2019-2020	\$ 400,026	\$ 534,481	\$ (618,553)	\$ 315,954
2020-2021	315,954	664,131	(684,076)	296,009
2021-2022	296,009	591,946	(589,968)	297,987

**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.

*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.

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 10 – Risk Management (Continued)**

The following is a summary of financial information of the Authority as of and for the year ended June 30, 2022:

Total Assets (Primary Investments)	\$ 78,191,450
Total Liability	<u>\$ 53,789,790</u>
Net Position	<u>\$ 24,401,660</u>
Total Revenues	<u>\$ 25,881,109</u>
Total Expenses	<u>\$ 25,458,505</u>
Net Income (Loss)	<u>\$ 422,604</u>

**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, 2022:

Total Assets (Primary Investments)	\$ 50,031,553
Total Liability	<u>\$ 22,625,654</u>
Net Position	<u>\$ 27,405,899</u>
Total Revenues	<u>\$ (995,017)</u>
Total Expenses	<u>\$ 2,154,521</u>
Net Income (Loss)	<u>\$ (3,149,538)</u>

**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, 2022:

Total Assets (Primary Investments)	\$ 69,798,724
Total Liability	<u>\$ 44,676,700</u>
Net Position (Deficit)	<u>\$ 25,122,024</u>
Total Revenues	<u>\$ 36,044,083</u>
Total Expenses	<u>\$ 40,495,914</u>
Net Income (Loss)	<u>\$ (4,451,831)</u>

**Note 11 – 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.

**City of Placerville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2022**

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**Note 11 – City Agreements with Certain Other Governmental Units (Continued)**

**El Dorado County Fire Protection District (Continued)**

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, 2022, City property tax revenue assigned to the District amounted to approximately \$2,005,208.

**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 12 – 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 10).

***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, 2022**

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**Note 12 – 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 13 – 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, 2022**

**Note 13 – 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 <sup>1</sup>	\$2,660,000	Series 1994 - \$13,070,000 <sup>1</sup>
AD 1994-2, June 1994 <sup>1</sup>	\$4,855,000	
Sewer Revenue Bonds <sup>1</sup>	\$4,255,000	
Installment Purchase Agreement <sup>2</sup>	\$15,179,700	Series 2022 - \$15,179,700 <sup>2</sup>

<sup>1</sup> Paid in full.

<sup>2</sup> Issued 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, 2022**

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**Note 13 – 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 14 – Subsequent Events**

**Bridge Loan Agreement**

On September 13, 2022, the City entered in a loan agreement with 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.

**REQUIRED  
SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**City of Placerville**  
**Required Supplementary Information (Unaudited)**  
**Budget Comparison Schedules – General Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Property taxes	\$ 329,741	\$ 333,208	\$ 338,868	\$ 5,660
Sales tax	5,776,840	6,483,746	6,699,052	215,306
Transient occupancy taxes	231,529	218,867	272,607	53,740
Other taxes	220,094	224,260	529,685	305,425
Franchise fees	359,868	597,720	376,743	(220,977)
Licenses and permits	152,000	143,365	195,435	52,070
Fines and forfeitures	75,208	77,197	61,100	(16,097)
Use of money and property	53,316	75,470	128,006	52,536
Intergovernmental	1,068,654	1,082,663	1,079,675	(2,988)
Charges for services	951,780	697,110	817,285	120,175
Other revenues	567,491	567,491	567,491	-
<b>Total Revenues</b>	<u>9,786,521</u>	<u>10,501,097</u>	<u>11,065,947</u>	<u>564,850</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,636,765	2,634,560	2,777,394	(142,834)
Public safety	3,241,375	3,310,784	3,245,822	64,962
Highways and streets	671,451	662,281	633,172	29,109
Community development	840,725	745,926	738,190	7,736
Parks and recreation	2,260,628	2,127,107	1,846,580	280,527
<b>Total Expenditures</b>	<u>9,650,944</u>	<u>9,480,658</u>	<u>9,241,158</u>	<u>239,500</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>135,577</u>	<u>1,020,439</u>	<u>1,824,789</u>	<u>804,350</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	289,751	289,751	420,899	131,148
Transfers out	(408,445)	(408,445)	(518,576)	(110,131)
<b>Total Other Financing Sources (Uses)</b>	<u>(118,694)</u>	<u>(118,694)</u>	<u>(97,677)</u>	<u>21,017</u>
<b>Change in Fund Balance</b>	<u>\$ 16,883</u>	<u>\$ 901,745</u>	1,727,112	<u>\$ 825,367</u>
<b>Fund Balance:</b>				
Beginning of year			<u>2,698,996</u>	
End of year			<u>\$ 4,426,108</u>	

**City of Placerville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budget Comparison Schedules – Transportation Development Special Revenue Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 880,000	\$ 879,947	\$ (53)
<b>Total Revenues</b>	-	880,000	879,947	(53)
<b>EXPENDITURES:</b>				
Current:				
Highways and streets	-	1,715,000	1,714,838	162
<b>Total Expenditures</b>	-	1,715,000	1,714,838	162
<b>REVENUES OVER (UNDER EXPENDITURES)</b>	-	(835,000)	(834,891)	109
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	908,000	907,575	(425)
<b>Total Other Financing Sources (Uses)</b>	-	908,000	907,575	(425)
<b>Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 73,000</u>	72,684	<u>\$ (316)</u>
<b>Fund Balance:</b>				
Beginning of year			<u>3,441,218</u>	
End of year			<u>\$ 3,513,902</u>	

**City of Placerville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budget Comparison Schedules – Measure J Special Revenue Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Sales tax	\$ 1,207,219	\$ 1,485,630	\$ 1,589,812	\$ 104,182
Use of money and property	-	-	430	430
<b>Total Revenues</b>	<u>1,207,219</u>	<u>1,485,630</u>	<u>1,590,242</u>	<u>104,612</u>
<b>EXPENDITURES:</b>				
Current:				
General government	11,600	14,856	15,898	(1,042)
Public safety	<u>1,413,823</u>	<u>1,198,709</u>	<u>1,474,540</u>	<u>(275,831)</u>
<b>Total Expenditures</b>	<u>1,425,423</u>	<u>1,213,565</u>	<u>1,490,438</u>	<u>(276,873)</u>
<b>REVENUES OVER (UNDER EXPENDITURES)</b>	<u>(218,204)</u>	<u>272,065</u>	<u>99,804</u>	<u>(172,261)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>218,204</u>	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>218,204</u>	-	-	-
<b>Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 272,065</u>	99,804	<u>\$ (172,261)</u>
<b>Fund Balance:</b>				
Beginning of year			<u>259,713</u>	
End of year			<u>\$ 359,517</u>	

**City of Placerville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budget Comparison Schedules – Measure L Special Revenue Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Sales tax	\$ 2,414,438	\$ 2,971,260	\$ 3,206,171	\$ 234,911
Use of money and property	20,296	20,296	9,347	(10,949)
<b>Total Revenues</b>	<u>2,434,734</u>	<u>2,991,556</u>	<u>3,215,518</u>	<u>223,962</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(961,000)	(960,539)	461
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(961,000)</u>	<u>(960,539)</u>	<u>461</u>
<b>Change in Fund Balance</b>	<u>\$ 2,434,734</u>	<u>\$ 2,030,556</u>	<u>2,254,979</u>	<u>\$ 224,423</u>
<b>Fund Balance:</b>				
Beginning of year			<u>3,131,749</u>	
End of year			<u>\$ 5,386,728</u>	

**City of Placerville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budget Comparison Schedules – Development Impact Special Revenue Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 3,700	\$ 3,680	\$ (20)
Charges for services	-	77,000	76,784	(216)
Grant revenues	-	571,000	570,552	(448)
<b>Total Revenues</b>	-	651,700	651,016	(684)
<b>EXPENDITURES:</b>				
Current:				
Highways and streets	-	130,000	129,425	575
<b>Total Expenditures</b>	-	130,000	129,425	575
<b>Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 521,700</u>	521,591	<u>\$ (109)</u>
<b>Fund Balance:</b>				
Beginning of year			1,628,273	
End of year			<u>\$ 2,149,864</u>	

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

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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 generally accepted accounting principles (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, 2022, 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.

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**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, 2022**

**Miscellaneous Plan**

Measurement period, year ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014 <sup>1</sup>
Plan's proportion of the net pension liability	0.5126582%	0.3026100%	0.3023200%	0.3024169%	0.2922869%	0.1180300%	0.1279368%	0.1167000%
Plan's proportionate share of the net pension liability	\$ 9,734,367	\$ 12,764,462	\$ 12,106,299	\$ 11,397,227	\$ 11,522,089	\$ 10,213,253	\$ 8,781,468	\$ 7,270,669
Plan's covered payroll	\$ 3,698,705	\$ 3,590,976	\$ 3,486,384	\$ 3,573,174	\$ 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	263.18%	355.46%	338.81%	318.97%	332.13%	303.24%	268.55%	229.02%
Plan's fiduciary net position	\$ 25,810,596	\$ 22,035,899	\$ 21,858,639	\$ 21,834,428	\$ 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	72.61%	63.32%	64.36%	65.70%	64.13%	64.29%	68.11%	73.37%
Plan's proportionate share of aggregate employer contributions	\$ 1,209,148	\$ 1,126,569	\$ 993,063	\$ 892,071	\$ 821,706	\$ 758,296	\$ 563,533	\$ 547,119

<sup>1</sup>Information only presented from the implementation year

**Safety Plan**

Measurement period, year ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014 <sup>1</sup>
Plan's proportion of the net pension liability	0.155635%	0.121160%	0.119580%	0.118760%	0.115576%	0.070494%	0.073132%	0.071310%
Plan's proportionate share of the net pension liability	\$ 5,461,995	\$ 8,071,829	\$ 7,464,858	\$ 6,968,396	\$ 6,905,882	\$ 6,099,938	\$ 5,019,871	\$ 4,440,588
Plan's covered payroll	\$ 1,414,240	\$ 1,373,049	\$ 1,333,057	\$ 1,294,230	\$ 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	386.21%	587.88%	559.98%	538.42%	549.60%	500.02%	423.83%	386.17%
Plan's fiduciary net position	\$ 21,377,402	\$ 17,734,181	\$ 16,504,858	\$ 16,101,982	\$ 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	79.65%	68.72%	68.86%	69.80%	67.39%	68.06%	73.49%	75.85%
Plan's proportionate share of aggregate employer contributions	\$ 799,484	\$ 762,764	\$ 668,141	\$ 568,532	\$ 488,725	\$ 457,324	\$ 332,478	\$ 322,794

<sup>1</sup>Information only presented from the implementation year

**City of Placerville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2022**

	<b>Miscellaneous Plan</b>							
Fiscal Year Ended June 30:	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
Actuarially determined contribution	\$ 1,324,470	\$ 1,209,148	\$ 1,126,569	\$ 993,063	\$ 892,071	\$ 821,706	\$ 758,296	\$ 563,533
Contributions in relation to the actuarially determined contribution	(1,324,470)	(1,209,148)	(1,126,569)	(993,063)	(892,071)	(821,706)	(758,296)	(563,533)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,809,666	\$ 3,698,705	\$ 3,590,976	\$ 3,486,384	\$ 3,573,174	\$ 3,469,101	\$ 3,368,059	\$ 3,269,960
Contributions as a percentage of covered payroll	34.77%	32.69%	31.37%	28.48%	24.97%	23.69%	22.51%	17.23%

**Notes to Schedule**

**Methods and assumptions used to determine contribution rates:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022 were derived from the June 30, 2020 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report
Asset valuation method	Market value of assets
Inflation	2.63%
Salary increases	Varies based on entry age and service
Payroll growth	2.875%
Investment rate of return	7.000% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

<sup>1</sup>Information only presented from the implementation year

**City of Placerville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions (Continued)**  
**For the Year Ended June 30, 2022**

<b>Safety Plan</b>								
Fiscal Year Ended June 30:	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
Actuarially determined contribution	\$ 850,316	\$ 799,484	\$ 762,764	\$ 668,141	\$ 568,532	\$ 488,725	\$ 457,324	\$ 332,478
Contributions in relation to the actuarially determined contribution	(850,316)	(799,484)	(762,764)	(668,141)	(568,532)	(488,725)	(457,324)	(332,478)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,456,668	\$ 1,414,240	\$ 1,373,049	\$ 1,333,057	\$ 1,294,230	\$ 1,256,534	\$ 1,219,936	\$ 1,184,404
Contributions as a percentage of covered payroll	58.37%	56.53%	55.55%	50.12%	43.93%	38.89%	37.49%	28.07%

**Notes to Schedule**

**Methods and assumptions used to determine contribution rates:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022 were derived from the June 30, 2020 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report
Asset valuation method	Market value of assets
Inflation	2.63%
Salary increases	Varies based on entry age and service
Payroll growth	2.875%
Investment rate of return	7.000% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

<sup>1</sup>Information 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, 2022**

Measurement period, year ending:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017 <sup>1</sup>
<b>Total OPEB liability</b>					
Service cost	\$ 417,308	\$ 367,057	\$ 320,283	\$ 275,001	\$ 288,351
Interest	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	(20,633)	192,870	297,706	189,551	(178,820)
Benefit payments, including refunds of member contributions	(209,163)	(171,420)	(108,058)	(93,565)	(116,520)
<b>Net change in total OPEB liability</b>	<b>(466,276)</b>	<b>490,240</b>	<b>(113,368)</b>	<b>495,583</b>	<b>97,337</b>
<b>Total OPEB liability - beginning</b>	<b>4,360,693</b>	<b>3,870,453</b>	<b>3,983,821</b>	<b>3,488,238</b>	<b>3,390,901</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 3,894,417</b>	<b>\$ 4,360,693</b>	<b>\$ 3,870,453</b>	<b>\$ 3,983,821</b>	<b>\$ 3,488,238</b>
<b>OPEB fiduciary net position</b>					
Contributions - employer	\$ 171,420	\$ 171,420	\$ 108,058	\$ 93,565	\$ 116,520
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(171,420)	(171,420)	(108,058)	(93,565)	(116,520)
Administrative expense	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan net OPEB liability - ending (a) - (b)</b>	<b>\$ 3,894,417</b>	<b>\$ 4,360,693</b>	<b>\$ 3,870,453</b>	<b>\$ 3,983,821</b>	<b>\$ 3,488,238</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered-employee payroll</b>	<b>\$ 6,407,731</b>	<b>\$ 6,603,614</b>	<b>\$ 6,585,298</b>	<b>\$ 6,783,602</b>	<b>\$ 6,361,144</b>
<b>Plan net OPEB liability as a percentage of covered payroll</b>	<b>60.78%</b>	<b>66.03%</b>	<b>58.77%</b>	<b>58.73%</b>	<b>54.84%</b>

<sup>1</sup>Information 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, 2022**

	Special Revenue Funds			
	Gas Tax	Parking District	Grants	BAD, CFD, & LLMD
<b>ASSETS</b>				
Cash and investments	\$ 517,284	\$ 226,396	\$ 1,154,197	\$ 335,707
Receivables:				
Accounts	59,779	28,328	566,179	1,566
Interest	623	99	1,046	270
Loans	-	-	686,385	-
Due from other funds	-	656	-	-
<b>Total assets</b>	<b>\$ 577,686</b>	<b>\$ 255,479</b>	<b>\$ 2,407,807</b>	<b>\$ 337,543</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 5,299	\$ 84,615	\$ 5,936
Deposits payable	-	2,259	-	-
Due to other funds	-	-	10,546	-
Unearned revenue	-	-	949,224	-
Advances from other funds	-	126,157	-	-
<b>Total liabilities</b>	<b>-</b>	<b>133,715</b>	<b>1,044,385</b>	<b>5,936</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	686,385	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>686,385</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	577,686	121,764	677,037	331,607
Committed	-	-	-	-
<b>Total fund balances</b>	<b>577,686</b>	<b>121,764</b>	<b>677,037</b>	<b>331,607</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 577,686</b>	<b>\$ 255,479</b>	<b>\$ 2,407,807</b>	<b>\$ 337,543</b>

**City of Placerville**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2022**

	Special Revenue Funds		Total Other Governmental Funds
	Capital Projects	Park Development	
<b>ASSETS</b>			
Cash and investments	\$ 216,058	\$ 121,582	\$ 2,571,224
Receivables:			
Accounts	-	-	655,852
Interest	140	102	2,280
Loans	-	-	686,385
	-	-	656
<b>Total assets</b>	<b>\$ 216,198</b>	<b>\$ 121,684</b>	<b>\$ 3,916,397</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 7,088	\$ -	\$ 102,938
Deposits payable	-	-	2,259
Due to other funds	-	-	10,546
Unearned revenue	-	-	949,224
Advances from other funds	-	-	126,157
<b>Total liabilities</b>	<b>7,088</b>	<b>-</b>	<b>1,191,124</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenues	-	-	686,385
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>686,385</b>
<b>Fund Balances:</b>			
Restricted	-	121,684	1,829,778
Committed	209,110	-	209,110
<b>Total fund balances</b>	<b>209,110</b>	<b>121,684</b>	<b>2,038,888</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 216,198</b>	<b>\$ 121,684</b>	<b>\$ 3,916,397</b>

*(Concluded)*

**City of Placerville**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2022**

	Special Revenue Funds			
	Gas Tax	Parking District	Grants	BAD, CFD, & LLMD
<b>REVENUES:</b>				
Use of money and property	\$ 1,418	\$ 327	\$ 26,982	\$ 634
Intergovernmental	499,202	-	124,503	-
Charges for services	-	239,866	-	78,619
Grant revenues	-	-	524,110	-
<b>Total revenues</b>	<b>500,620</b>	<b>240,193</b>	<b>675,595</b>	<b>79,253</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	70,034	25,654	-
Public safety	-	-	386,439	-
Highways and streets	85,031	204,517	1,076	22,310
Parks and recreation	-	-	10,388	28,519
<b>Total expenditures</b>	<b>85,031</b>	<b>274,551</b>	<b>423,557</b>	<b>50,829</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>415,589</b>	<b>(34,358)</b>	<b>252,038</b>	<b>28,424</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	12,215	-	196
Transfers out	(337,146)	-	(217,637)	-
<b>Total other financing sources (uses)</b>	<b>(337,146)</b>	<b>12,215</b>	<b>(217,637)</b>	<b>196</b>
<b>CHANGE IN FUND BALANCE</b>	<b>78,443</b>	<b>(22,143)</b>	<b>34,401</b>	<b>28,620</b>
<b>FUND BALANCE:</b>				
Beginning of year	499,243	143,907	642,636	302,987
End of year	<b>\$ 577,686</b>	<b>\$ 121,764</b>	<b>\$ 677,037</b>	<b>\$ 331,607</b>

**City of Placerville**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2022**

	Special Revenue Funds		Total Other Governmental Funds
	Capital Projects	Park Development	
<b>REVENUES:</b>			
Use of money and property	\$ 427	\$ 250	\$ 30,038
Intergovernmental	3,833	-	627,538
Charges for services	-	6,600	325,085
Grant revenues	-	-	524,110
<b>Total revenues</b>	<b>4,260</b>	<b>6,850</b>	<b>1,506,771</b>
<b>EXPENDITURES:</b>			
Current:			
General government	98,175	-	193,863
Public safety	-	-	386,439
Highways and streets	-	-	312,934
Parks and recreation	45,894	-	84,801
<b>Total expenditures</b>	<b>144,069</b>	<b>-</b>	<b>978,037</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(139,809)</b>	<b>6,850</b>	<b>528,734</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	93,382	-	105,793
Transfers out	-	-	(554,783)
<b>Total other financing sources (uses)</b>	<b>93,382</b>	<b>-</b>	<b>(448,990)</b>
<b>CHANGES IN FUND BALANCES</b>	<b>(46,427)</b>	<b>6,850</b>	<b>79,744</b>
<b>FUND BALANCES:</b>			
Beginning of year	255,537	114,834	1,959,144
End of year	\$ 209,110	\$ 121,684	\$ 2,038,888

*(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, 2022**

	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Use of money and property	\$ 1,900	\$ 1,900	\$ 1,418	\$ (482)
Intergovernmental	500,681	500,681	499,202	(1,479)
<b>Total Revenues</b>	<u>502,581</u>	<u>502,581</u>	<u>500,620</u>	<u>(1,961)</u>
<b>EXPENDITURES:</b>				
Current:				
Highways and streets	-	-	85,031	(85,031)
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>85,031</u>	<u>(85,031)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>502,581</u>	<u>502,581</u>	<u>415,589</u>	<u>(86,992)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(289,751)	(289,751)	(337,146)	(47,395)
<b>Total Other Financing Sources (Uses)</b>	<u>(289,751)</u>	<u>(289,751)</u>	<u>(337,146)</u>	<u>(47,395)</u>
<b>Change in Fund Balance</b>	<u>\$ 212,830</u>	<u>\$ 212,830</u>	<u>78,443</u>	<u>\$ (134,387)</u>
<b>Fund Balance:</b>				
Beginning of year			499,243	
End of year			<u>\$ 577,686</u>	

**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, 2022**

	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Fines and forfeitures	\$ 96,062	\$ 96,062	\$ -	\$ (96,062)
Use of money and property	1,488	1,488	327	(1,161)
Charges for services	212,252	212,252	239,866	27,614
<b>Total Revenues</b>	<b>309,802</b>	<b>309,802</b>	<b>240,193</b>	<b>(69,609)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	96,957	96,957	70,034	26,923
Highways and streets	128,194	128,194	204,517	(76,323)
<b>Total Expenditures</b>	<b>225,151</b>	<b>225,151</b>	<b>274,551</b>	<b>(49,400)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>84,651</b>	<b>84,651</b>	<b>(34,358)</b>	<b>(119,009)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	8,656	8,656	12,215	-
Transfers out	(8,395)	(8,395)	-	8,395
<b>Total Other Financing Sources (Uses)</b>	<b>261</b>	<b>261</b>	<b>12,215</b>	<b>8,395</b>
<b>Change in Fund Balance</b>	<b>\$ 84,912</b>	<b>\$ 84,912</b>	<b>(22,143)</b>	<b>\$ (110,614)</b>
<b>Fund Balance:</b>				
Beginning of year			143,907	
End of year			<b>\$ 121,764</b>	

**City of Placerville**  
**Schedule of Revenues, Expenditures and Change in Fund Balance**  
**Budget Comparison Schedules-Grants Special Revenue Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 26,982	\$ 26,982
Intergovernmental	270,356	270,356	124,503	(145,853)
Grant revenues	-	-	524,110	524,110
<b>Total Revenues</b>	<u>270,356</u>	<u>270,356</u>	<u>675,595</u>	<u>405,239</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	25,654	(25,654)
Public safety	270,356	270,356	386,439	(116,083)
Highways and streets	-	-	1,076	(1,076)
Parks and recreation	-	-	10,388	(10,388)
<b>Total Expenditures</b>	<u>270,356</u>	<u>270,356</u>	<u>423,557</u>	<u>(153,201)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>252,038</u>	<u>558,440</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(217,637)	(217,637)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(217,637)</u>	<u>(217,637)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>34,401</u>	<u>\$ 558,440</u>
<b>FUND BALANCE:</b>	270,356	270,356		
Beginning of year			<u>642,636</u>	
End of year			<u>\$ 677,037</u>	

**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, 2022**

	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Use of money and property	\$ 1,697	\$ 1,697	\$ 634	\$ (1,063)
Charges for services	74,254	74,254	78,619	4,365
<b>Total Revenues</b>	<u>75,951</u>	<u>75,951</u>	<u>79,253</u>	<u>3,302</u>
<b>EXPENDITURES:</b>				
Current:				
Highways and streets	41,475	41,475	22,310	19,165
Parks and recreation	34,476	34,476	28,519	5,957
<b>Total Expenditures</b>	<u>75,951</u>	<u>75,951</u>	<u>50,829</u>	<u>25,122</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	196	196
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>196</u>	<u>196</u>
<b>Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>28,620</u>	<u>\$ 28,620</u>
<b>Fund Balance:</b>				
Beginning of year			302,987	
End of year			<u>\$ 331,607</u>	

**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, 2022**

	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 400	\$ 427	\$ 27
Intergovernmental	-	4,000	3,833	167
<b>Total Revenues</b>	<u>-</u>	<u>4,400</u>	<u>4,260</u>	<u>194</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	100,000	98,175	1,825
Parks and recreation	-	46,000	45,894	106
<b>Total Expenditures</b>	<u>-</u>	<u>146,000</u>	<u>144,069</u>	<u>1,931</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(141,600)</u>	<u>(139,809)</u>	<u>2,125</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	94,000	93,382	(618)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>94,000</u>	<u>93,382</u>	<u>(618)</u>
<b>Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (47,600)</u>	<u>(46,427)</u>	<u>\$ 1,507</u>
<b>Fund Balance:</b>				
Beginning of year			255,537	
End of year			<u>\$ 209,110</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, 2022**

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	Original Budget	Amended Budget	Actual	Variance
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 300	\$ 250	\$ (50)
Charges for services	-	6,000	6,600	600
<b>Total Revenues</b>	-	6,300	6,850	550
<b>Fund Balance:</b>				
Beginning of year			114,834	
End of year			\$ 121,684	

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