

**CITY OF PLACERVILLE
TRANSPORTATION DEVELOPMENT ACT FUNDS**

Audited Financial Statements
and Compliance Reports

June 30, 2023

CITY OF PLACERVILLE
TRANSPORTATION DEVELOPMENT ACT FUNDS

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and Compliance Reports

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Audited Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Placerville
Placerville, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Fund Development Act (the Fund) of the City of Placerville (the City), as of and for the year ended June 30, 2023, and the related notes to the 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 financial position of the of the Transportation Development Act Fund of the City of Placerville, as of June 30, 2023 and the changes in financial position 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis-of-Matter

As discussed in Note B, the financial statements present only the Transportation Development Act Fund of the City of Placerville and do not purport to, and do not present fairly the financial position of the City as of June 30, 2023, the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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.

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

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 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

City of Placerville
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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 City's internal control over financial reporting and compliance.

Richardson & Company, LLP

November 22, 2023

CITY OF PLACERVILLE

TRANSPORTATION DEVELOPMENT ACT FUNDS
Non-Transit Purposes

BALANCE SHEETS

June 30, 2023

	Streets and Roads	Pedestrian and Bicycle	Total
ASSETS			
Cash	\$ 55	\$ 4,862	\$ 4,917
Interest receivable	<u>23</u>	<u>24</u>	<u>47</u>
TOTAL ASSETS	<u><u>\$ 78</u></u>	<u><u>\$ 4,886</u></u>	<u><u>\$ 4,964</u></u>
FUND BALANCE			
Fund Balance:			
Restricted for street and road projects	\$ 78		\$ 78
Restricted for pedestrian and bicycle facilities		<u>\$ 4,886</u>	<u>4,886</u>
TOTAL FUND BALANCE	<u>78</u>	<u>4,886</u>	<u>4,964</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 78</u></u>	<u><u>\$ 4,886</u></u>	<u><u>\$ 4,964</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF PLACERVILLE

TRANSPORTATION DEVELOPMENT ACT FUNDS
Non-Transit Purposes

STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2023

	Streets and Roads	Pedestrian and Bicycle	Total
REVENUES			
Local transportation funds		\$ 234,000	\$ 234,000
Interest	\$ 73	77	150
TOTAL REVENUES	<u>73</u>	<u>234,077</u>	<u>234,150</u>
EXPENDITURES			
Pedestrian and bicycle projects			
Upper Broadway Bike Lanes Project	4,500	-	4,500
TOTAL EXPENDITURES	<u>4,500</u>	<u>-</u>	<u>4,500</u>
EXCESS OF REVENUES OVER EXPENDITURES	(4,427)	234,077	229,650
OTHER FINANCING SOURCES (USES)			
Transfers out		(234,000)	(234,000)
Fund balance at beginning of year	<u>4,505</u>	<u>4,809</u>	<u>9,314</u>
FUND BALANCE AT END OF YEAR	<u>\$ 78</u>	<u>\$ 4,886</u>	<u>\$ 4,964</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PLACERVILLE
TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE A – ORGANIZATION

The City of Placerville (City) receives funds under the provisions of the Transportation Development Act (TDA) from the El Dorado County Local Transportation Fund under Article 8, Section 99400(a) for local streets and roads projects and from the El Dorado County Transportation Commission Local Transportation Fund (LTF) under Article 3, Section 99234(a) for pedestrian and bicycle facilities. The funds provided under Article 8 represent amounts available after the determination by the El Dorado County Transportation Commission, the transportation planning agency administering TDA funds, of amounts needed to meet the unmet transportation needs of the City. The funds provided under Article 3 represent amounts set aside to be allocated for pedestrian and bicycle facilities within the jurisdictions of El Dorado County and represent up to 2% of the available funds countywide. The City of Placerville's Transportation Development Act Funds are used to account for these TDA funds received by the City. No Article 8 funds were received during the year ended June 30, 2023.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the City of Placerville's Transportation Development Act Funds have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The financial statements are intended to present the financial position and results of operations of only those transactions recorded in the City of Placerville's Transportation Development Act Funds related to Local Transportation Fund monies. The Fund is included in the financial statements of the City of Placerville.

Fund Accounting: The accounts of the City are organized on the basis of funds or account groups. A fund or account group is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity.

The City of Placerville's Transportation Development Act Funds are accounted for as a special revenue fund type of the governmental fund group. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. A special revenue fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by special revenue funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which is generally 90 days. TDA revenues are recognized when all eligibility requirements have been met and the amounts are received within 90 days. Revenues that do not meet this availability period are recorded as deferred inflows of resources. Expenditures are recorded

CITY OF PLACERVILLE
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO THE FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

when the related fund liability is incurred. However, within these financial statements, the revenues and corresponding expenditures are reported in the period the claim was submitted for reimbursement by the LTF Fund. These expenditures were reported in the City’s financial statements in prior fiscal years.

Fund Balance: Restrictions of fund balance represent amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation. The restrictions of fund balance are according to the provisions of the Transportation Development Act and the purpose of each restriction is indicated by the account title on the face of the balance sheets.

NOTE C – CASH AND INVESTMENTS

The Funds’ cash and investments is held in the City’s cash and investments pool. The City maintains a cash and investments pool and allocates interest to the various funds based upon the average daily cash balances. Investments held in the City’s cash and investments pool are available on demand to the Funds and are stated at amortized cost, which approximates fair value. The City’s investment policy, interest rate risk, and credit risk may be found in the notes to the City’s basic financial statements.

NOTE D – TRANSFERS

In fiscal year 2023, the City recorded a transfer of \$234,000 from the Pedestrian and Bicycle Fund to the City’s Transportation Development Fund for upper Broadway bike lanes – Schnell School Road to Point View Drive Project (CZP# 41508) expended out of that fund, in accordance with the Transportation Development Act, Article 3, Section 99234(a).

COMPLIANCE REPORTS



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS* AND THE TRANSPORTATION DEVELOPMENT ACT

To the City Council
City of Placerville, California

We have audited, 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, the financial statements of the Transportation Development Act Fund (the Fund) of the City of Placerville (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated November 22, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our audit was further made to determine that Transportation Development Act (TDA) funds allocated and received by the City were expended in

To the City Council
City of Placerville, California

conformance with the applicable statutes, rules and regulations of the TDA and Section 6666 of the California Code of Regulations. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the TDA.

Purpose of this Report

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

Richardson & Company, LLP

November 22, 2023