PLACER COUNTY RESOURCE CONSERVATION DISTRICT

Audited Financial Statements
and Compliance Report

June 30, 2023

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RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Placer County Resource Conservation District
Auburn, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Placer County Resource Conservation District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District'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 and each major fund of the District, as of June 30, 2023, and the respective changes in financial position 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 District'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.

To the Board of Directors
Placer County Resource Conservation District

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 District'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 District'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 schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, schedule of changes in the net OPEB liability and related ratios, schedule of contributions to the OPEB plan, and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic 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 February 27, 2024, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

Richardson & Company, LLP

February 27, 2024

PLACER COUNTY RESOURCE CONSERVATION DISTRICT

STATEMENT OF NET POSITION

June 30, 2023

ASSETS	
Cash and investments	$ 1,015,622
Receivables:	
Grants receivable	1,230,059
Other receivables	4,939
Prepaid expenses and other assets	28,285
TOTAL CURRENT ASSETS	2,278,905
Noncurrent assets	
Capital assets:	
Not being depreciated	158,498
Being depreciated and amortized, net	517,661
Total capital assets	676,159
TOTAL NON CURRENT ASSETS	676,159
TOTAL ASSETS	2,955,064
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	262,754
Other postemployment benefits (OPEB) plan	62,920
TOTAL DEFERRED OUTFLOWS OF RESOURCES	325,674
LIABILITIES	
Accounts payable	239,604
Due to other governments	158,498
Accrued payroll	42,754
Unearned revenue	350,716
Current portion of lease liability	37,534
Compensated absences	52,767
Long-term liabilities	
Long-term portion of lease liability	121,399
Net pension liability	389,722
OPEB liability	203,148
TOTAL LIABILITIES	1,596,142
DEFERRED INFLOWS OF RESOURCES	
Pension plan	43,793
OPEB plan	24,470
TOTAL DEFERRED INFLOWS OF RESOURCES	68,263
NET POSITION	
Net investment in capital assets	517,226
Unrestricted	1,099,107
TOTAL NET POSITION	$ 1,616,333

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

PLACER COUNTY RESOURCE CONSERVATION DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

PROGRAM EXPENSES	
Governmental activities:	
Conservation	$ 3,426,732
Interest on long-term debt	5,945
	3,432,677
PROGRAM REVENUES	
Charges for services	80,050
Operating grants	3,109,360
Capital grants and contributions	105,665
	3,295,075
NET PROGRAM EXPENSES	(137,602)
GENERAL REVENUES	
Property taxes	507,168
Interest earnings	5,551
Gain on sale of capital assets	41,294
Other	8,429
TOTAL GENERAL REVENUES	562,442
CHANGE IN NET POSITION	424,840
Net position at beginning of year	1,191,493
NET POSITION AT END OF YEAR	$ 1,616,333

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

PLACER COUNTY RESOURCE CONSERVATION DISTRICT

BALANCE SHEET – GENERAL FUND

June 30, 2023

ASSETS		
Cash and cash equivalents		$ 1,015,622
Receivables:		
Grants receivables		1,230,059
Other receivables		4,939
Prepaid costs and other assets		28,285
	TOTAL ASSETS	$ 2,278,905
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCE		
LIABILITIES		
Accounts payable		$ 239,604
Due to other governments		158,498
Accrued payroll		42,754
Unearned revenue		350,716
	TOTAL LIABILITIES	791,572
FUND BALANCE		
Nonspendable		24,208
Assigned		355,000
Unassigned		1,108,125
	TOTAL FUND BALANCE	1,487,333
	LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 2,278,905

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

PLACER COUNTY RESOURCE CONSERVATION DISTRICT

RECONCILIATION OF THE BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GENERAL FUND

June 30, 2023

Fund balance - total governmental funds, June 30, 2023		$ 1,487,333
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:		
Governmental capital assets	$ 933,810	
Less: accumulated depreciation	(257,651)	676,159
Deferred outflows of resources related to the pension and OPEB plans will be recognized as expense in the future.		
Pension plan		262,754
OPEB plan		62,920
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(52,767)
Net pension liability		(389,722)
OPEB liability		(203,148)
Lease liability		(158,933)
Deferred inflows of resources related to the pension and OPEB plans will be recognized as a reduction of expense in the future.		
Pension plan		(43,793)
OPEB plan		(24,470)
Net position - governmental activities, June 30, 2023		$ 1,616,333

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

PLACER COUNTY RESOURCE CONSERVATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND

For the Year Ended June 30, 2023

REVENUES	
Intergovernmental grants and contracts	$ 3,215,025
Charges for services	80,050
Taxes and assessments	507,168
Interest income	5,551
Other income	8,429
TOTAL REVENUES	3,816,223
EXPENDITURES	
Current:	
Salaries and benefits	1,361,124
Services and supplies	2,196,991
Debt service:	
Principal	13,624
Interest payments	5,945
Capital outlay	383,649
TOTAL EXPENDITURES	3,961,333
OTHER FINANCING SOURCES (USES)	
Proceeds from sale of capial assets	54,400
Issuance of long-term liabilities	172,557
TOTAL OTHER FINANCING SOURCES (USES)	226,957
NET CHANGE IN FUND BALANCE	81,847
Fund balance at beginning of year	1,405,486
FUND BALANCE AT END OF YEAR	$ 1,487,333

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

PLACER COUNTY RESOURCE CONSERVATION DISTRICT

RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES –
GENERAL FUND

For the Year Ended June 30, 2023

Net change in fund balance - total governmental funds for the year ended June 30, 2023		$ 81,847
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital outlay	383,649	
Depreciation expense	(75,282)	
Difference between proceeds and gain on sale of capital assets	(13,106)	295,261
Lease payments reduce long-term liabilities in the statement of net position.		
Principal repayments on long-term liabilities		13,624
Remove proceeds from long-term liabilities		(172,557)
Revenues and expenses in the Government-wide Statement of Activities that do not provide current financial resources are not reported as revenues and expenses in the governmental funds.		
Change in compensated absences		(52,767)
Change in deferred outflows of resources related to pension plan		155,033
Change in deferred outflows of resources related to OPEB plan		28,935
Change in net pension liability		(134,462)
Change in OPEB liability		52,179
Change in deferred inflows of resources related to pension plan		179,953
Change in deferred inflows of resources related to OPEB plan		(22,206)
Change in net position - governmental activities for the year ended June 30, 2023		$ 424,840

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Placer County Resource Conservation District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

Background: The District was formed in 1947 as a special district under Division Nine of the California Public Resources Code. The District's financial and administrative functions are governed by a seven-member Board of Directors. The District develops and enables programs in partnership with others that assist private land owners and public agencies to accomplish the goals of conserving natural resources.

Basis of Presentation – Government-wide financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest and other items properly excluded among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Basis of Presentation – Fund Financial Statements: The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as 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 District considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period. For intergovernmental grants and contracts, amounts collected within 120 days of the end of the current fiscal period are considered available. Amounts not received within the 60 or 120 day availability period are reported as unavailable revenue. Revenues received in advance of being expended are reported as unearned revenue. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Payable balances consist primarily of payables to vendors.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property tax revenues, intergovernmental grants and contracts and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District or collected within the availability period.

The District reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the District and accounts for revenues collected to provide services and finance the fundamental operations of the District. The Fund is charged with all costs of operations.

Budgets: Budgets are adopted on a basis consistent with generally accepted accounting principles and in accordance with the District's policies and procedures. Budgetary control is exercised by major object. Budgetary changes, if any, during the fiscal year require the approval of the District's Board. Unencumbered budget appropriations lapse at the end of the fiscal year.

Prepaid Costs: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. Prepaid costs are reported in the fund financial statements as nonspendable fund balance to indicate they do not constitute resources available for appropriation.

Capital Assets: Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. Capital assets owned by the District are stated at historical cost or estimated historical cost, if actual historical cost is not available. Contributed capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Capital assets are depreciated using the straight-line method over the estimated useful lives.

Vehicles	10-15 years
Field equipment	5-10 years
Other equipment and furniture	5-10 years
Computers and accessories	3 years

The District's capitalization threshold is $3,000 with no minimum for infrastructure assets and other real property. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements that significantly increase the values, change capacities, or extend the useful lives are capitalized. Upon sale or retirement of capital assets, the cost and the related accumulated depreciation, as applicable, are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Compensated Absences: The District's policies regarding vacation and compensatory time-off permit employees to accumulate earned, but unused amounts. Vacation and compensatory time-off are fully payable at separation. The District's policy for sick-pay states that it has no cash value and will not be paid upon termination. All vacation and compensatory time-off is accrued when incurred. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is used to liquidate compensated absences. All of the accrued compensated absences are considered current.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position: The government-wide financial statements report net position. Net position is categorized as the net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and any outstanding debt related to the purchase of capital assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The District does not have any restricted net position.

Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

Fund Balance: In the General Fund financial statements, the District reports the following fund balances:

Non-spendable fund balances are not expected to be converted to cash within the next operating cycle and are typically comprised of prepaid costs.

Committed fund balances include amounts that can be used only for specific purposes determined by a formal action of the Board. The Board has authority to establish, modify, or rescind a fund balance commitment through a resolution of the Board.

Assigned fund balances include amounts constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance is the residual classification for the District's funds and includes all spendable amounts not contained in the other classifications.

The Board establishes, modifies or rescinds fund balance commitments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The District's committed, assigned or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Assigned fund balances consist of the following:

Operating Reserve Fund – To ensure financial security through maintain a prudent level of financial resources ensure stability of the mission, programs, employment, and ongoing operations of the District. The operating reserve is intended for unanticipated expenditures, unanticipated revenue shortfalls, one-time budgeted expenses, including capital purchase and to maintain minimal sustainability in periods of economic uncertainty. As of June 30, 2023, $255,000 has been assigned for the operating reserve.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Chipper Reserve Fund – To support the Chipper-Cost-Share Program during temporary shortfalls, unpredicted expenditures, and equipment purchases. As of June 30, 2023, $100,000 has been assigned by the Board for the Chipper Reserve.

Property Taxes: The County of Placer (the County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The valuation/lien date for all property taxes is January 1. Secured property tax is due in two instalments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent penalties after April 10. These taxes are secured by liens on the property being taxed. Unsecured taxes are due in one instalment on billing and are subject to late payment penalties if paid after August 31.

The County uses the Alternative Method of Property Tax Apportionment (Teeter). Under this method of property tax apportionment for assessments collected as part of property taxes, the County purchases the delinquent secured property taxes at June 30 of each fiscal year and guarantees the District 100% of its annual assessment.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net assets by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net assets that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the District's pension and OPEB plans as described in Notes D and E, and for revenue not received within the availability period.

Pension Plan: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to the pension plan, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB): 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 OPEB plan and additions to/deletions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements: In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). This Statement 1) defines the term 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 to a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. This statement is effective for fiscal years beginning after June 15, 2022.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

The District is currently analyzing the impact of the required implementation of these new statements.

NOTE B – CASH AND INVESTMENTS

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

Deposits with financial institutions		$ 28,913
	Total cash	28,913
Placer County Investment Pool		986,709
	Total investments	986,709
	Total cash and investments	$ 1,015,622

NOTE B – CASH AND INVESTMENTS (Continued)

Investment policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentrations of credit risk. During the year ended June 30, 2023, the District's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
Local agency bonds	5 years	None	None
U.S. Treasury securities	5 years	None	None
U.S. Agency securities	5 years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates and time deposits	5 years	30%	None
Repurchase agreements	1 year	20%	None
Corporate notes	5 years	30%	10%
Collateralized certificate of deposits	5 years	None	10%
Pooled investment funds	N/A	None	None

The District complied with the provisions of the California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made, and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Investment in the Placer County Investment Pool: The District maintains a portion of its cash in the County of Placer's cash and investment pool, which is managed by the Placer County Treasurer. The District's cash balances invested in the County Treasurer's cash and investment pool are stated at amortized cost, which approximated fair value. The fair value invested by all public agencies in the County's cash and investment pool is $2,330,582,459 at June 30, 2023. The County does not invest in any derivative financial products. The County Board of Supervisors has oversight responsibility for the cash and investment pool. The value of pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool. Investments filed in the County's investment pool are available on demand to the District.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2023, the weighted average maturity of the investments contained in the County of Placer investment pool was approximately 450 days.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating issued by a nationally recognized statistical rating organization. The County's investment pool do not have a rating provided by a nationally recognized statistical rating organization.

NOTE B – CASH AND INVESTMENTS (Continued)

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

At June 30, 2023, the carrying amount of the District's deposits was $28,913 and the balances in financial institutions of the District's deposits was $27,793, all of which was covered by federal depository insurance.

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
Capital assets not being depreciated:				
Work in process		$ 158,498		$ 158,498
Total capital assets not being depreciated, net		158,498		158,498
Capital assets being depreciated:				
Machinery and equipment	$ 445,541		$ (12,211)	433,330
Vehicles	129,591	52,594	(12,760)	169,425
Leased asset		172,557		172,557
Total capital assets being depreciated	575,132	225,151	(24,971)	775,312
Less accumulated depreciation for:				
Machinery and equipment	(137,570)	(41,598)	9,596	(169,572)
Vehicles	(56,664)	(15,709)	2,269	(70,104)
Leased asset		(17,975)		(17,975)
Total accumulated depreciation	(194,234)	(75,282)	11,865	(257,651)
Total capital assets being depreciated, net	380,898	149,869	(13,106)	517,661
Capital assets, net	$ 380,898	$ 308,367	$ (13,106)	$ 676,159

NOTE C – CAPITAL ASSETS (Continued)

Depreciation expense of $75,282 for the year ended June 30, 2023 was charged to the conservation function.

NOTE D –LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2023.

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Compensated absences	$ 30,947	$ 21,820		$ 52,767	
Lease liability		172,557	$ (13,624)	158,933	$ 37,534
Net pension liability	255,260	134,462		389,722	-
OPEB liability	255,327		(52,179)	203,148	-
	$ 541,534	$ 328,839	$ (65,803)	$ 804,570	$ 37,534

Lease Liability: The District leases office space through January 31, 2026 with a one year option to extend. The rental rate for the monthly payment is estimated to increase 3% each year of the lease beginning February 1st. The District recorded a right to use asset, which is included in capital assets.

For purposes of discounting future payments of the lease, the District used a discount rate of 8.50%. The intangible right of use asset is being amortized over 4 years, the remaining term of the current lease including the one year option to extend. Minium lease payments over the term of the lease as follows:

Year Ended June 30	Principal	Interest	Total
2024	$ 37,533	$ 12,116	$ 49,649
2025	42,678	8,719	51,397
2026	48,159	4,872	53,031
2027	30,563	874	31,437
	$ 158,933	$ 26,581	$ 185,514

NOTE E –PENSION PLAN

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple employer defined benefit pension plan (the Plan) administered by the California Public Employees' Retirement System (CalPERS). The District participates in the CalPERS Miscellaneous Risk Pool and the following rate plans:

- Miscellaneous Rate Plan
- PEPRA Miscellaneous Rate Plan

NOTE E – PENSION PLAN (Continued)

Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Risk Pool) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous Risk Pool	PEPRA Miscellaneous Risk Pool
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	10.32%	7.47%

In addition to the contribution rates above, the District was also required to make payments of $37,387 towards its unfunded actuarial liability during the year ended June 30, 2023.

The Miscellaneous Risk Pool is closed to new members that are not already CalPERS participants.

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

For the year ended June 30, 2023, the contributions made to the Plan were $109,290.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2023, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of $389,722.

NOTE E – PENSION PLAN (Continued)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of the June 30, 2023 and 2022 was as follows:

	Miscellaneous
Proportion - June 30, 2022	0.01165%
Proportion - June 30, 2023	0.00833%
Change - Decrease	-0.00332%

For the year ended June 30, 2023, the District recognized a pension benefit of $200,524. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	$ 39,936	
Differences between Expected and Actual Experience	7,826	$ (5,242)
Differences between projected and actual investment earnings	71,387	
Differences between Employer's Contributions and Proportionate Share of Contributions	34,015	(510)
Change in Employer's Proportion	300	(38,041)
Pension contributions made subsequent to measurement date	109,290	
Total	$ 262,754	$ (43,793)

The $109,290 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as pension expense as follows:

Year Ended June 30	
2024	$ 29,245
2025	24,774
2026	11,989
2027	43,663
	$ 109,671

NOTE E – PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liability at June 30, 2022 was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by entry age and service
Mortality	Developed using CalPERS Membership Data for all funds

The mortality table was developed based in CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.90%, which declined from 7.15% at June 30, 2022. 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 discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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

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

NOTE E – PENSION PLAN (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)(b)
Global equity - cap-weighted	30.0%	4.45%
Global equity - non-cap-weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.29%
Leverage	-5.0%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management Study

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability, calculated using the discount rate, as well as what the District'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:

1% Decrease		5.90%
Net Pension Liability	$	572,472
Current Discount Rate		6.90%
Net Pension Liability	$	389,722
1% Increase		7.90%
Net Pension Liability	$	239,363

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE F – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided: The District administers a single employer defined benefits healthcare plan. The District's defined benefit OPEB plan (OPEB Plan) provides lifetime medical benefits to three retirees. The District's contribution toward medical coverage is capped at $950 per month. The cap is not intended to increase. The District's contribution may be used towards medical benefits for retirees, their spouses, and may continue to the surviving spouse upon the death of the retiree.

Contributions: The contributions to the OPEB Plan are based on pay-as-go financing requirements with additional amount contributed to the PARS Trust to prefund benefits from time to time at the sole discretion of the Board. Retiree health benefits may be paid out of the PARS Trust, set up for this purpose, to the extent funded.

Employees Covered by Benefit Terms: As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	-
Total	3

Total OPEB Liability: The District's total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial assumptions:	
Inflation	2.50%
Salary increases	3.00%
Discount rate	5.75%
Mortality rate	Derived using CalPERS Membership Data
Pre-retirement turnover	Derived using CalPERS Membership Data
Healthcare trend rate	6.50% for 2022, down to 4.5% for 2050 to 2069; Medicare ages: 4.50% for 2022-2029 and 4.00% for 2030 and later years.

The discount rate was based on the anticipated long-term yield on a 20-year municipal bond index and represents a change in assumptions from the 4.00% used at the June 30, 2021 valuation date.

Mortality information was based on the CalPERS Experience Study dated June 2021 Tables based on the results from an actuarial experience study for the period 2000 to 2019. The experience study report may be accessed on the CALPERS website at https://www.calpers.ca.gov.

NOTE F – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Net Total OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/ (Asse
Balance at July 1, 2023	$ 424,936	$ 217,355	$ 207,581
Changes in the year:			
Interest	16,383		16,383
Difference between expected and actual experience	14,925		14,925
Change in assumptions or other inputs	(34,920)		(34,920)
Contributions - employer		31,203	(31,203)
Benefits payments	(31,203)	(31,203)	-
Net investment income		(29,110)	29,110
Administrative expenses		(1,272)	1,272
Net changes	(34,815)	(30,382)	(4,433)
Balance at June 30, 2023	$ 390,121	$ 186,973	$ 203,148

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB 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 discount rate:

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Total OPEB liability	$ 237,813	$ 203,148	$ 173,050

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 173,122	$ 203,148	$ 237,236

NOTE F – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2023, the District recognized OPEB expense of ($37,356). At June 30, 2023, the District 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
Net difference between projected and actual return on OPEB investments	$ 31,173	$ (24,470)
Contributions after the measurement date	31,747	
Total	$ 62,920	$ (24,470)

The $31,747 reported as deferred outflows of resources released to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. The amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30	Deferred Outflows of Resources
2024	$ (628)
2025	126
2026	(350)
2027	7,555
	$ 6,703

NOTE G– INSURANCE

The District participates in the Special District Risk Management Authority (SDRMA) an intergovernmental risk sharing joint powers authority exclusively for California public agencies, for general, property, automobile, and public officials' errors and omissions. Loss contingency reserves established by the SDRMA are funded by contributions from member agencies, The District pays an annual contribution to the SDRMA that includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the SDRMA. SDRMA provides insurance through the pool up to certain level, beyond, which group purchased commercial excess insurance is obtained.

The District pays an annual premium to SDRMA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the SDRMA. The District's deductibles and maximum coverage are as follows:

NOTE G– INSURANCE (Continued)

	Pool Coverage	Commercial Coverage	Self-Insured Retention
Property		$ 1,000,000,000	$ 1,000
Boiler and machinery		100,000,000	1,000
Flood		10,000,000	500,000
Pollution / Cyber		2,000,000	250,000/50,000
Catastraphic loss		1,000,000,000	500,000
Personal Injury and property damage	$ 10,000/50,000	5,000,000	500
Uninsured motorists bodily injury	10,000/50,000	1,000,000	
Employee / Public officials dishonesty	10,000/50,000	1,000,000	
General liability		5,000,000	
Auto liability		5,000,000	1,000
Public officials personal liability	10,000/50,000	500,000	500
Automobile physical damage / High dollar vehicles	Replacement Cost	100,000/1,000,000,000	250/500 or 500/1000
Workers compensation		5,000,000	

NOTE H – CONTINGENCIES AND COMMITMENTS

Commitments: The District has the following outstanding contract commitments as of June 30, 2023:

Project	Total	Remaining Commitment
North Fork ARSFB Phase 1B	$ 366,500	$ 113,420
Placer County Coordinated Fuel Break III	243,497	87,331
Mosquito Fire Tree Mortality Project	100,000	61,000
Dry Creek Red Sesbania removal	45,000	35,000
	$ 754,997	$ 296,751

NOTE I – SUBSEQUENT EVENTS

The District was the recipient of a $5,000,000 Forest Health grant from CalFire to fund restoration and reforestation activities as a result of the Mosquito Fire.

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REQUIRED SUPPLEMENTARY INFORMATION

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SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - MISCELLANEOUS PLAN
Last 10 Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.008330%	0.011650%	0.008198%	0.003180%	0.003150%	0.007790%	0.003129%	0.007810%	0.003420%
Proportionate share of the net pension liability	$ 389,722	$ 255,260	$ 345,782	$ 345,780	$ 326,848	$ 311,251	$ 270,766	$ 214,303	$ 212,689
Covered payroll - measurement period	628,312	442,994	181,293	159,338	165,203	170,258	201,344	201,344	305,142
Proportionate share of the net pension liability as a percentage of covered payroll	161.22%	173.55%	52.43%	175.22%	197.85%	178.69%	128.84%	94.67%	83.04%
Plan fiduciary net position as a percentage of the total pension liability	70.92%	82.21%	71.53%	71.53%	74.07%	74.50%	75.58%	80.25%	83.04%
Notes to Schedule:									
Valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Changes in assumptions:									
Change in discount rate	6.90%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.65%

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be added prospectively as it becomes available until ten years are reported.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN
Last 10 Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 109,290	$ 81,857	$ 62,581	$ 36,402	$ 34,114	$ 27,426	$ 24,973	$ 21,576	$ 31,580
Contributions in relation to the actuarially determined contributions	(109,290)	(81,857)	(62,581)	(36,402)	(34,114)	(27,426)	(24,973)	(21,576)	(31,580)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 936,233	$ 628,312	$ 442,994	$ 181,293	$ 165,203	$ 170,258	$ 201,344	$ 201,344	$ 305,142
Contributions as a percentage of covered payroll	11.67%	13.03%	14.13%	20.08%	20.65%	16.11%	12.40%	10.72%	10.35%
Notes to Schedule:									
Contribution valuation date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012

Methods and sssumptions used to determine contribution rates:

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial method	Entry age normal cost method								
Amortization method	Level percentage of payroll, closed								
Remaining amortization period	Varies by rate plan, but not more than 30 years								
Asset valuation method	Market value								
Inflation	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service								
Investment rate of return and discount rate	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Payroll growth	2.75%	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Retirement age	50 to 67 years. Probabilities of retirement are based on the most recent CalPERS Experience								
Mortality	Most recent CalPERS Experience Study								

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be added prospectively as it becomes available until ten years are reported.

PLACER COUNTY RESOURCE CONSERVATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

For the Years Ended June 30

	2023	2022	2021	2020
Total OPEB liability				
Interest	$ 16,383	$ -	$ 17,312	$ 23,769
Differences between expected and actual experience	14,925			(26,354)
Expected return on plan assets				
Change in assumptions	(34,920)			(133,965)
Benefit payments	(31,203)	-	(27,482)	(22,240)
Net change in total OPEB liability	(34,815)	-	(10,170)	(158,790)
Total OPEB liability - beginning	424,936	-	446,411	605,201
Total OPEB liability - ending (a)	$ 390,121	$ -	$ 436,241	$ 446,411
Plan fiduciary net position:				
Contributions	$ 31,203	$ 31,861	$ 27,482	$ 22,240
Net investment income	(29,110)	-	5,326	6,307
Benefit payments	(31,203)	(31,861)	(27,482)	(22,240)
Differences between expected and actual experience				3,774
Adminisrative expenses	(1,272)	-	(990)	
Net change in plan fiduciary net position	(30,382)	-	4,336	10,081
Plan fiduciary net position - beginning	217,355	-	167,767	157,680
Plan fiduciary net position - ending (b)	$ 186,973	$ -	$ 172,103	$ 167,767
Net OPEB liatility - ending (a)-(b)	$ 203,148 *	$ 207,581 **	$ 264,138	$ 278,644
Plan fiduciary net position as a percentage of the total OPEB liability	47.93%	**	39.45%	37.58%
Notes to schedule:				
Valuation date	June 30, 2022	**	June 30, 2019	June 30, 2019
Measurement period - fiscal year ended	June 30, 2022	**	June 30, 2020	June 30, 2019
Discount Rate	5.75%	**	4.00%	4.00%

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits and the actuary did not report actuarially required contributions. Consequently, a Schedule of Contributions to the OPEB Plan is not reported.

* Net OPEB liability equals to $207,581 is based on an acturial projection from the July 1, 2019 acturial valuation. This amount differs from the amount reported on the June, 2022 audit report of $255,327. An adjustment (equal to the difference) is included in OPEB expense in the current year in the amount of $47,746.

** OPEB valuation was not prepared for measurement period ending June 20, 2021.

Benefit changes. None since June 30, 2019.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

PLACER COUNTY RESOURCE CONSERVATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Years Ended June 30

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)
Last Ten Fiscal Years

	2023	2022	2021	2020
Statutorial determined contribution - employer fiscal year	$ 31,203	$ 31,861	$ 27,482	$ 22,240
Contributions in relation to the actuarially determined contributions	(31,203)	(31,861)	(27,482)	(22,240)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -

Notes to Schedule:				
Valuation date	June 30, 2022	**	June 30, 2019	June 30, 2019
Measurement date	June 30, 2022	**	June 30, 2020	June 30, 2019
Methods and assumptions used to determine contribution rates:				
Actuarial cost method	Entry-age normal cost			
Amortization method	Level percentage of payroll			
Asset valuation method	Market value			
Inflation	2.50%	2.50%	3.00%	3.00%
Healthcare cost trend rates:				
Initial rate	6.50%	6.00%	5.90%	6.00%
Rate trending down to	4.50%	5.00%	5.00%	5.00%
Payroll growth	3.00%	N/A	N/A	N/A
Discount rate	5.75%	4.00%	4.00%	N/A
Investment rate of return	5.75%	4.00%	4.00%	4.00%
Mortality	Derived using CalPERS membership data			
Retirement age	Derived using CalPERS membership data			

** OPEB valuation was not prepared for measurement period ending June 20, 2021.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

PLACER COUNTY RESOURCE CONSERVATION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GENERAL FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental grants and contracts	$ 4,840,665	$ 4,840,665	$ 3,215,025	$ (1,625,640)
Charges for services	80,000	80,000	80,050	50
Taxes and assessments	481,869	481,869	507,168	25,299
Interest income	2,000	2,000	5,551	3,551
Other income	-	-	8,429	8,429
TOTAL REVENUES	5,404,534	5,404,534	3,816,223	(1,588,311)
EXPENDITURES				
Current:				
Conservation				
Salaries and benefits	1,603,287	1,603,287	1,361,124	242,163
Services and supplies	3,680,541	3,680,541	2,196,991	1,483,550
Debt service:				
Principal	-	-	13,624	(13,624)
Interest payments	-	-	5,945	(5,945)
Capital outlay	52,000	52,000	383,649	(331,649)
TOTAL EXPENDITURES	5,335,828	5,335,828	3,961,333	1,374,495
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	10,000	10,000	54,400	44,400
Issuance of long-term liabilities	-	-	172,557	172,557
TOTAL OTHER FINANCING SOURCES (USES)	10,000	10,000	226,957	216,957
NET CHANGE IN FUND BALANCE	78,706	78,706	81,847	3,141
Fund balance at beginning of year	1,405,486	1,405,486	1,405,486	-
FUND BALANCE AT END OF YEAR	$ 1,484,192	$ 1,484,192	$ 1,487,333	$ 3,141

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

COMPLIANCE REPORT

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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

To the Board of Directors
Placer County Resource Conservation District
Auburn, California

We have audited, in accordance with the 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 governmental activities and each major fund of the Placer County Resource Conservation District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 27, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 a 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 material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Board of Directors
Placer County Resource Conservation District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 financial statements. 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*.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

February 27, 2024