

**CITY OF GRASS VALLEY,  
CALIFORNIA**



**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2023**

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**CITY OF GRASS VALLEY**  
**Annual Financial Report**  
**For the Year Ended June 30, 2023**

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**CITY OF GRASS VALLEY**  
**Annual Financial Report**  
**For the Year Ended June 30, 2023**

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## **INTRODUCTORY SECTION**

- **List of Officials**

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**CITY OF GRASS VALLEY**  
**List of Officials**  
**For the Year Ended June 30, 2023**

**City Council**

Ben Aguilar	Mayor
Jan Arbuckle	Vice Mayor
Tom Ivy	Council Member
Bob Branstrom	Council Member
Hilary Hodge	Council Member

**City Officials**

Tim Kiser	City Manager
Andy Heath	Administrative Services Director
Alex Gammelgard	Chief of Police
Tom Last	Community Development Director
Mark Buttron	Fire Chief
Michael G. Colantuono	City Attorney

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## **FINANCIAL SECTION**

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining Nonmajor Fund Financial Statements**

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members of the City Council  
City of Grass Valley  
Grass Valley, 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 Grass Valley, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**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.

To the Honorable Mayor and Members of the City Council  
City of Grass Valley  
Grass Valley, California

### **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 judgement 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 judgement 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

To the Honorable Mayor and Members of the City Council  
City of Grass Valley  
Grass Valley, California

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the City Pension Plan information, City OPEB Plan information, and budgetary comparison information as listed in the table of contents to 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 obtain 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.

### **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 accompanying combining nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

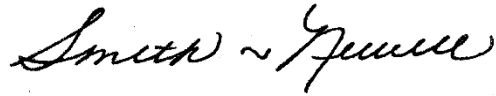
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and Members of the City Council  
City of Grass Valley  
Grass Valley, California

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.



Smith & Newell CPAs  
Yuba City, California  
March 28, 2024

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**CITY OF GRASS VALLEY**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 22,390,212	\$ 10,479,755	\$ 32,869,967
Receivables:			
Accounts	753,822	1,438,601	2,192,423
Interest	61,844	26,810	88,654
Taxes	3,287,507	-	3,287,507
Intergovernmental	18,115	-	18,115
Prepaid costs	13,021	-	13,021
Loans receivable	8,777,305	-	8,777,305
Restricted cash and investments	-	605,576	605,576
Capital assets:			
Non-depreciable	17,384,007	1,140,074	18,524,081
Depreciable, net	47,383,269	39,985,793	87,369,062
Total capital assets	<u>64,767,276</u>	<u>41,125,867</u>	<u>105,893,143</u>
<b>Total Assets</b>	<u>100,069,102</u>	<u>53,676,609</u>	<u>153,745,711</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension adjustments	14,023,837	2,647,496	16,671,333
Deferred OPEB adjustments	1,055,356	97,241	1,152,597
<b>Total Deferred Outflows of Resources</b>	<u>15,079,193</u>	<u>2,744,737</u>	<u>17,823,930</u>
<b>LIABILITIES</b>			
Accounts payable	3,824,536	297,657	4,122,193
Salaries and benefits payable	313,928	29,522	343,450
Deposits payable	179,398	19,548	198,946
Interest payable	-	49,819	49,819
Long-term liabilities:			
Due within one year	2,178,994	980,944	3,159,938
Due in more than one year	22,631,339	4,772,148	27,403,487
Net pension liability	6,819,215	1,287,368	8,106,583
Net OPEB liability	4,803,455	442,591	5,246,046
<b>Total Liabilities</b>	<u>40,750,865</u>	<u>7,879,597</u>	<u>48,630,462</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension adjustments	6,032,440	1,138,836	7,171,276
Deferred OPEB adjustments	3,080,257	283,815	3,364,072
<b>Total Deferred Inflows of Resources</b>	<u>9,112,697</u>	<u>1,422,651</u>	<u>10,535,348</u>

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

**CITY OF GRASS VALLEY**  
**Statement of Net Position**  
**June 30, 2023**

<b>NET POSITION</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
Net investment in capital assets	57,478,020	35,543,286	93,021,306
Restricted for:			
General government	4,055,156	-	4,055,156
Public protection	238,088	-	238,088
Public ways and facilities	3,260,699	-	3,260,699
Community development	9,707,361	-	9,707,361
Capital projects	6,148,877	-	6,148,877
Unrestricted	<u>(15,603,468)</u>	<u>11,575,812</u>	<u>(4,027,656)</u>
<b>Total Net Position</b>	<b><u>\$ 65,284,733</u></b>	<b><u>\$ 47,119,098</u></b>	<b><u>\$ 112,403,831</u></b>

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

**CITY OF GRASS VALLEY**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental activities:				
General government	\$ 4,765,856	\$ 166,044	\$ 1,973,315	\$ -
Public protection	22,492,023	643,329	1,629,577	-
Public ways and facilities	6,338,566	937,403	1,549,412	3,201,464
Community development	1,445,092	-	-	-
Recreation and culture	1,056,739	21,565	-	-
Interest on long-term debt	782,829	-	-	-
<b>Total Governmental Activities</b>	<b>36,881,105</b>	<b>1,768,341</b>	<b>5,152,304</b>	<b>3,201,464</b>
Business-type activities:				
Water	2,822,591	2,081,200	-	-
Sewer	6,022,331	5,417,092	-	-
<b>Total Business-Type Activities</b>	<b>8,844,922</b>	<b>7,498,292</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$ 45,726,027</b>	<b>\$ 9,266,633</b>	<b>\$ 5,152,304</b>	<b>\$ 3,201,464</b>

**General revenues:**

Taxes:

  Property taxes

  Property transfer taxes

  Sales and use taxes

  Transient occupancy taxes

Franchise fees

Interest and investment earnings

Miscellaneous

Gain (loss) on sale of asset

**Transfers**

**Total General Revenues and Transfers**

**Change in Net Position**

**Net Position - Beginning**

**Net Position - Ending**

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

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (2,626,497)	\$ -	\$ (2,626,497)
(20,219,117)	-	(20,219,117)
(650,287)	-	(650,287)
(1,445,092)	-	(1,445,092)
(1,035,174)	-	(1,035,174)
(782,829)	-	(782,829)
(26,758,996)	-	(26,758,996)
-	(741,391)	(741,391)
-	(605,239)	(605,239)
-	(1,346,630)	(1,346,630)
(26,758,996)	(1,346,630)	(28,105,626)
5,305,336	-	5,305,336
66,225	-	66,225
13,595,210	-	13,595,210
1,033,199	-	1,033,199
991,507	-	991,507
150,453	256,462	406,915
132,915	325	133,240
4,995	-	4,995
959,333	(959,333)	-
22,239,173	(702,546)	21,536,627
(4,519,823)	(2,049,176)	(6,568,999)
69,804,556	49,168,274	118,972,830
\$ 65,284,733	\$ 47,119,098	\$ 112,403,831

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**CITY OF GRASS VALLEY**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	<b>General</b>	<b>Measure "E"</b>	<b>Housing</b>	<b>Capital Improvement Projects</b>
<b>ASSETS</b>				
Cash and investments	\$ 8,129,734	\$ 3,289,720	\$ 711,769	\$ 679,519
Receivables:				
Accounts	568,323	13,477	-	3,528
Interest	19,422	4,699	1,792	-
Taxes	1,875,701	1,321,114	-	-
Intergovernmental	18,115	-	-	-
Prepaid costs	13,021	-	-	-
Due from other funds	72,548	-	-	-
Loans receivable	-	-	7,910,751	-
	<b>Total Assets</b>	<b>\$ 4,629,010</b>	<b>\$ 8,624,312</b>	<b>\$ 683,047</b>
	<b>\$ 10,696,864</b>	<b>\$ 4,629,010</b>	<b>\$ 8,624,312</b>	<b>\$ 683,047</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,590,299	\$ 744,025	\$ 540	\$ 1,332,816
Salaries and benefits payable	259,478	51,266	-	3,184
Deposits payable	179,398	-	-	-
Due to other funds	-	-	-	-
	<b>Total Liabilities</b>	<b>795,291</b>	<b>540</b>	<b>1,336,000</b>
	<b>2,029,175</b>	<b>795,291</b>	<b>540</b>	<b>1,336,000</b>
<b>FUND BALANCES</b>				
Nonspendable	13,021	-	7,910,751	-
Restricted	296,687	-	713,021	-
Assigned	-	3,833,719	-	-
Unassigned	8,357,981	-	-	(652,953)
	<b>Total Fund Balances (Deficits)</b>	<b>3,833,719</b>	<b>8,623,772</b>	<b>(652,953)</b>
	<b>8,667,689</b>	<b>3,833,719</b>	<b>8,623,772</b>	<b>(652,953)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,696,864</b>	<b>\$ 4,629,010</b>	<b>\$ 8,624,312</b>	<b>\$ 683,047</b>

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

<b>Special Projects</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
\$ 5,978,316	\$ 3,601,154	\$ 22,390,212
146,970	21,524	753,822
23,591	12,340	61,844
-	90,692	3,287,507
-	-	18,115
-	-	13,021
-	-	72,548
-	866,554	8,777,305
<u>\$ 6,148,877</u>	<u>\$ 4,592,264</u>	<u>\$ 35,374,374</u>
\$ -	\$ 156,856	\$ 3,824,536
-	-	313,928
-	-	179,398
-	72,548	72,548
-	229,404	4,390,410
-	866,554	8,790,326
-	659,999	1,669,707
6,148,877	2,925,105	12,907,701
-	(88,798)	7,616,230
<u>6,148,877</u>	<u>4,362,860</u>	<u>30,983,964</u>
<u>\$ 6,148,877</u>	<u>\$ 4,592,264</u>	<u>\$ 35,374,374</u>

**CITY OF GRASS VALLEY**  
**Reconciliation of the Governmental Funds Balance**  
**Sheet to the Government-Wide Statement of**  
**Net Position - Governmental Activities**  
**June 30, 2023**

<b>Total Fund Balance - Total Governmental Funds</b>	<b>\$ 30,983,964</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	64,767,276
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	15,079,193
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(9,112,697)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Pension obligation bonds	(16,132,000)
Capital leases	(7,289,256)
Compensated absences	(1,389,077)
Net pension liability	(6,819,215)
Net OPEB liability	(4,803,455)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 65,284,733</u></b>

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

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**CITY OF GRASS VALLEY**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	<u>General</u>	<u>Measure "E"</u>	<u>Housing</u>	<u>Capital Improvement Projects</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 13,265,501	\$ 6,992,271	\$ -	\$ -
Licenses, permits and franchises	1,712,566	-	-	-
Fines and forfeitures	186	-	-	-
Intergovernmental revenues	1,545,735	-	-	3,256,852
Use of money and property	124,861	36,854	106,544	-
Charges for services	54,843	-	-	-
Other revenues	121,408	980	-	3,528
<b>Total Revenues</b>	<u>16,825,100</u>	<u>7,030,105</u>	<u>106,544</u>	<u>3,260,380</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,978,275	181,112	-	-
Public protection	9,480,433	3,457,081	-	-
Public ways and facilities	1,262,855	-	-	1,798,426
Community development	970,544	-	8,944	-
Recreation and culture	691,947	-	-	-
Debt service:				
Principal	810,954	680,037	-	-
Interest and other charges	635,747	140,743	-	-
Capital outlay	124,656	1,185,381	-	10,037,406
<b>Total Expenditures</b>	<u>17,955,411</u>	<u>5,644,354</u>	<u>8,944</u>	<u>11,835,832</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(1,130,311)</u>	<u>1,385,751</u>	<u>97,600</u>	<u>(8,575,452)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	-	219,718	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	466,970	-	-	8,514,239
Transfers out	(628,555)	(2,182,128)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(161,585)</u>	<u>(1,962,410)</u>	<u>-</u>	<u>8,514,239</u>
<b>Net Change in Fund Balances</b>	<u>(1,291,896)</u>	<u>(576,659)</u>	<u>97,600</u>	<u>(61,213)</u>
<b>Fund Balances - Beginning (Deficits)</b>	<u>9,959,585</u>	<u>4,410,378</u>	<u>8,526,172</u>	<u>(591,740)</u>
<b>Fund Balances - Ending (Deficits)</b>	<u>\$ 8,667,689</u>	<u>\$ 3,833,719</u>	<u>\$ 8,623,772</u>	<u>\$ (652,953)</u>

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

<b>Special Projects</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
\$ -	\$ 345,244	\$ 20,603,016
-	-	1,712,566
-	32,399	32,585
2,795,010	811,559	8,409,156
(153,925)	36,119	150,453
356,808	-	411,651
-	6,999	132,915
<u>2,997,893</u>	<u>1,232,320</u>	<u>31,452,342</u>
-	146,986	4,306,373
-	244,730	13,182,244
-	72,620	3,133,901
-	5,902	985,390
-	-	691,947
-	22,007	1,512,998
-	6,339	782,829
-	266,311	11,613,754
<u>-</u>	<u>764,895</u>	<u>36,209,436</u>
<u>2,997,893</u>	<u>467,425</u>	<u>(4,757,094)</u>
-	-	219,718
-	4,995	4,995
-	135,019	9,116,228
<u>(3,938,705)</u>	<u>(1,407,507)</u>	<u>(8,156,895)</u>
<u>(3,938,705)</u>	<u>(1,267,493)</u>	<u>1,184,046</u>
(940,812)	(800,068)	(3,573,048)
<u>7,089,689</u>	<u>5,162,928</u>	<u>34,557,012</u>
<u>\$ 6,148,877</u>	<u>\$ 4,362,860</u>	<u>\$ 30,983,964</u>

**CITY OF GRASS VALLEY**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds to the**  
**Government-Wide Statement of Activities - Governmental Activities**  
**For the Year Ended June 30, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ (3,573,048)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	11,613,754
Less current year depreciation	(3,763,803)

Some revenues reported in the Statement of Activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Change in unavailable revenues	(55,388)
--------------------------------	----------

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal retirements	1,512,998
Proceeds from issuance of debt	(219,718)

Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.

Change in deferred outflows of resources related to pension and OPEB	349,517
Change in deferred inflows of resources related to pension and OPEB	2,520,202

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 the governmental funds.

Change in compensated absences	(47,186)
Change in net pension liability	(12,646,248)
Change in net OPEB liability	(210,903)

**Change in Net Position of Governmental Activities** \$ (4,519,823)

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



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**CITY OF GRASS VALLEY**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 2,738,440	\$ 7,741,315	\$ 10,479,755
Receivables:			
Accounts	437,595	1,001,006	1,438,601
Interest	8,385	18,425	26,810
<b>Total Current Assets</b>	<u>3,184,420</u>	<u>8,760,746</u>	<u>11,945,166</u>
Noncurrent Assets:			
Restricted cash and investments	-	605,576	605,576
Capital assets:			
Non-depreciable	234,751	905,323	1,140,074
Depreciable, net	8,624,489	31,361,304	39,985,793
<b>Total Noncurrent Assets</b>	<u>8,859,240</u>	<u>32,872,203</u>	<u>41,731,443</u>
<b>Total Assets</b>	<u>12,043,660</u>	<u>41,632,949</u>	<u>53,676,609</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension adjustments	833,324	1,814,172	2,647,496
Deferred OPEB adjustments	31,065	66,176	97,241
<b>Total Deferred Outflows of Resources</b>	<u>864,389</u>	<u>1,880,348</u>	<u>2,744,737</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	132,459	165,198	297,657
Salaries and benefits payable	9,856	19,666	29,522
Deposits payable	18,922	626	19,548
Interest payable	14,142	35,677	49,819
Compensated absences	713	1,069	1,782
Bonds payable	-	549,086	549,086
Loans payable	124,683	-	124,683
Capital leases payable	157,873	147,520	305,393
<b>Total Current Liabilities</b>	<u>458,648</u>	<u>918,842</u>	<u>1,377,490</u>
Noncurrent Liabilities:			
Compensated absences	48,645	120,084	168,729
Bonds payable	-	1,168,172	1,168,172
Loans payable	615,916	-	615,916
Capital leases payable	633,858	2,185,473	2,819,331
Net pension liability	405,211	882,157	1,287,368
Net OPEB liability	141,392	301,199	442,591
<b>Total Noncurrent Liabilities</b>	<u>1,845,022</u>	<u>4,657,085</u>	<u>6,502,107</u>
<b>Total Liabilities</b>	<u>2,303,670</u>	<u>5,575,927</u>	<u>7,879,597</u>

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

**CITY OF GRASS VALLEY**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension adjustments	358,459	780,377	1,138,836
Deferred OPEB adjustments	90,669	193,146	283,815
<b>Total Deferred Inflows of Resources</b>	449,128	973,523	1,422,651
<b>NET POSITION</b>			
Net investment in capital assets	7,326,910	28,216,376	35,543,286
Unrestricted	2,828,341	8,747,471	11,575,812
<b>Total Net Position</b>	<b>\$ 10,155,251</b>	<b>\$ 36,963,847</b>	<b>\$ 47,119,098</b>

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

**CITY OF GRASS VALLEY**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,081,200	\$ 5,417,092	\$ 7,498,292
Other revenues	325	-	325
<b>Total Operating Revenues</b>	2,081,525	5,417,092	7,498,617
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,268,981	2,414,735	3,683,716
Services and supplies	1,033,328	1,606,263	2,639,591
Depreciation	462,615	1,911,866	2,374,481
<b>Total Operating Expenses</b>	2,764,924	5,932,864	8,697,788
<b>Operating Income (Loss)</b>	(683,399)	(515,772)	(1,199,171)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	211,786	44,676	256,462
Interest expense	(57,667)	(89,467)	(147,134)
<b>Total Non-Operating Revenues (Expenses)</b>	154,119	(44,791)	109,328
<b>Income (Loss) Before Transfers</b>	(529,280)	(560,563)	(1,089,843)
Transfers out	(771,475)	(187,858)	(959,333)
<b>Change in Net Position</b>	(1,300,755)	(748,421)	(2,049,176)
<b>Total Net Position - Beginning</b>	11,456,006	37,712,268	49,168,274
<b>Total Net Position - Ending</b>	\$ 10,155,251	\$ 36,963,847	\$ 47,119,098

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

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**CITY OF GRASS VALLEY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 2,237,058	\$ 5,538,409	\$ 7,775,467
Payments to suppliers	(965,817)	(1,658,982)	(2,624,799)
Payments to employees	(661,124)	(1,307,736)	(1,968,860)
	610,117	2,571,691	3,181,808
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	(771,475)	(187,858)	(959,333)
Intergovernmental revenue	-	80,129	80,129
	(771,475)	(107,729)	(879,204)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(48,102)	(57,029)	(105,131)
Principal paid on debt	(270,374)	(1,204,901)	(1,475,275)
Interest paid on debt	(60,971)	(108,656)	(169,627)
	(379,447)	(1,370,586)	(1,750,033)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	206,664	32,456	239,120
	206,664	32,456	239,120
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(334,141)	1,125,832	791,691
<b>Balances - Beginning</b>	3,072,581	7,221,059	10,293,640
<b>Balances - Ending</b>	\$ 2,738,440	\$ 8,346,891	\$ 11,085,331

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

**CITY OF GRASS VALLEY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	Water	Sewer	Totals
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (683,399)	\$ (515,772)	\$ (1,199,171)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	462,615	1,911,866	2,374,481
Decrease (increase) in:			
Accounts receivable	161,913	121,311	283,224
Pension adjustments - deferred outflows	(390)	(249,371)	(249,761)
OPEB adjustments - deferred outflows	5,180	11,033	16,213
Increase (decrease) in:			
Accounts payable	67,511	(52,719)	14,792
Salaries and benefits payable	(15,443)	(35,457)	(50,900)
Deposits payable	(6,380)	6	(6,374)
Compensated absences	2,781	(2,148)	633
Net pension liability	764,776	1,557,657	2,322,433
Net OPEB liability	6,208	13,225	19,433
Pension adjustments - deferred inflows	(142,451)	(160,664)	(303,115)
OPEB adjustments - deferred inflows	(12,804)	(27,276)	(40,080)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 610,117</b>	<b>\$ 2,571,691</b>	<b>\$ 3,181,808</b>

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

**CITY OF GRASS VALLEY**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

	<b>Private Purpose Trust Funds</b>	<b>Custodial Funds</b>	<b>Total Fiduciary Funds</b>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 794,218	\$ 3,421	\$ 797,639
Cash with fiscal agent	114	-	114
Receivables:			
Accounts	45,865	-	45,865
Intergovernmental	1,322	-	1,322
Due from other funds	-	30,899	30,899
Loans receivable	979,297	-	979,297
<b>Total Assets</b>	<u>1,820,816</u>	<u>34,320</u>	<u>1,855,136</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Salaries and benefits payable	1,408	-	1,408
Due to other funds	-	30,899	30,899
Loans payable	355,148	-	355,148
<b>Total Current Liabilities</b>	<u>356,556</u>	<u>30,899</u>	<u>387,455</u>
Noncurrent Liabilities:			
Loans payable	7,124,961	-	7,124,961
<b>Total Noncurrent Liabilities</b>	<u>7,124,961</u>	<u>-</u>	<u>7,124,961</u>
<b>Total Liabilities</b>	<u>7,481,517</u>	<u>30,899</u>	<u>7,512,416</u>
<b>NET POSITION</b>			
Restricted for individuals, organizations, and other governments	<u>(5,660,701)</u>	<u>3,421</u>	<u>(5,657,280)</u>
<b>Total Net Position</b>	<u><u>\$ (5,660,701)</u></u>	<u><u>\$ 3,421</u></u>	<u><u>\$ (5,657,280)</u></u>

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



**CITY OF GRASS VALLEY**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2023**

	<b>Private Purpose Trust Funds</b>	<b>Custodial Funds</b>	<b>Total Fiduciary Funds</b>
<b>ADDITIONS</b>			
Property taxes	\$ 723,269	\$ -	\$ 723,269
Interest and investment income	8,491	-	8,491
Other contributions	154,060	-	154,060
<b>Total Additions</b>	<b>885,820</b>	<b>-</b>	<b>885,820</b>
<b>DEDUCTIONS</b>			
Program expenses of former redevelopment agency	97,631	-	97,631
Interest expense	363,609	-	363,609
Amortization	64,510	-	64,510
<b>Total Deductions</b>	<b>525,750</b>	<b>-</b>	<b>525,750</b>
<b>Net Increase (Decrease) in Fiduciary Net Position</b>	<b>360,070</b>	<b>-</b>	<b>360,070</b>
<b>Total Net Position - Beginning</b>	<b>(6,020,771)</b>	<b>3,421</b>	<b>(6,017,350)</b>
<b>Total Net Position - Ending</b>	<b>\$ (5,660,701)</b>	<b>\$ 3,421</b>	<b>\$ (5,657,280)</b>

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

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Grass Valley was incorporated in 1893, under the laws and regulations of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, health and sanitation, culture and recreation, public improvements, planning and zoning, general administrative services, water and sewer.

**Component Units**

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the City's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City Council. The financial statements of the individual component units may be obtained by writing to the City of Grass Valley, 125 East Main Street, Grass Valley, California 95945.

**Blended Component Units**

*Redevelopment Agency of the City of Grass Valley* – The California redevelopment process provides communities at a local level with a comprehensive tool for economic development. These tools are the powers of land assembly and site preparation for private development, the ability to finance necessary public improvements, the authority to impose conditions and restrictions for the quality of developments of an area, and the capability to broaden financing capabilities utilizing a variety of public and private sources. The Agency provides services entirely for the benefit of the City of Grass Valley. The governing body is substantially the same as the primary government and the City and the component unit are financially interdependent; hence, the unit is presented by blending with the primary government. Pursuant to the provisions of the Redevelopment Restructuring Act, the Redevelopment Agency of the City of Grass Valley Successor Agency (Successor Agency) was created, and all of the assets, liabilities, and obligations of the former RDA were transferred to the Successor Agency on February 1, 2012.

**Discretely Presented Component Units**

There are no component units of the City which meet the criteria for discrete presentation.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information on all of the nonfiduciary activities of the City and its blended component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

**Fund Financial Statements**

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General fund includes such activities as public safety, planning and zoning, general administrative services and public works.
- The Measure "E" fund is a special revenue fund used to account for Measure E revenues and expenditures.
- The Housing fund is a special revenue fund used to account for Housing revenues and expenditures. Funding comes primarily from grant revenues.
- The Capital Improvement fund is a capital projects fund used to account for capital improvements of the City.
- The Special Projects fund is a capital projects fund used to account for special projects of the City.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

The City reports the following major proprietary funds:

- The Water fund is an enterprise fund used to account for activity related to providing customers with water service and billing provided by the City.
- The Sewer fund is an enterprise fund used to account for activity related to providing customers with sewer service and billing provided by the City.

The City reports the following additional fund types:

- Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.
- Private-purpose trust funds are used to report all fiduciary activities that (a) are not required to be reported in pension (and other employee benefit) trust funds or investment trust funds and (b) are held in a trust in which the assets are (a) administered through a trust in which the government itself is not a beneficiary, (b) dedicated to providing benefits to recipients in accordance with the benefit terms, and (c) legally protected from the creditors of the government.
- Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. These include unapportioned property taxes and other custodial funds.

**C. Basis of Accounting and Measurement Focus**

The government-wide and proprietary fund 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting and Measurement Focus (Continued)**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary funds include private-purpose trust funds and custodial funds. These fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**D. Non-Current Governmental Assets/Liabilities**

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

**E. Cash and Cash Equivalents**

For purposes of the accompanying Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased, including amounts held in the City's investment pool, to be cash and cash equivalents.

**F. Investments**

The City pools cash and investments of all funds except cash and investments with fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short-term investments are reported at amortized cost, investments in the State of California Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Income from pooled investments is allocated to the individual funds based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund.

**G. Restricted Cash and Investments**

Restricted assets in the proprietary funds represent cash and investments held in the Sewer fund for debt service of \$605,576.



**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Receivables**

Receivables for governmental activities consist mainly of accounts, interest, taxes and amounts due from other governments. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

Receivables for business-type activities consist mainly of user fees and interest. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

**I. Other Assets**

**Inventory**

Governmental fund inventories are recorded as expenditures at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

**Prepaid Items**

Payments made for services that will benefit periods beyond June 30, 2023, are recorded as prepaid costs under both the accrual and modified accrual basis of accounting. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**J. Loans Receivable**

A total of \$8,777,305 was recorded as loans receivable at June 30, 2023. These represent low interest notes and related accrued interest to finance multi-family and single-family construction and rehabilitation projects and homebuyer assistance for low-income families. Loan terms are 15 to 55 years with an interest rate at 0 to 5 percent. The primary source of funding for these loans comes from grants from the federal Community Development Block Grant (CDBG) program and Home Investment Partnerships (HOME) program. The CDBG and HOME grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements.

**K. Capital Assets**

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks and sewer), are defined by the City as an asset with a cost greater than \$5,000 and a useful life of more than one year. A capital project involves the construction of public assets (buildings, water, sewer, or other infrastructure) that costs more than \$25,000 and extends the planned useful life of the asset by more than one year or has a planned useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their fair value at the date of donation.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Capital Assets (Continued)**

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	3 to 25 years
Structures and improvements	5 to 50 years
Infrastructure	20 to 75 years
Intangibles (computer software)	5 to 10 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**L. Property Tax**

Nevada County assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Property taxes are levied on a fiscal year (July 1 - June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1 and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

The City recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end.

**M. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided or used, reimbursements, or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Interfund Transactions (Continued)**

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

**N. Unearned Revenue**

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

**O. Compensated Absences**

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation leave and sick leave. In the government-wide financial statements the accrued compensated absences is recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature. In the proprietary funds the accrued compensated absences is recorded as an expense and related liability in the year earned. The City includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

**P. Pension**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plans' 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.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021 to June 30, 2022

**Q. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The City has two items that qualify for reporting in this category. These items relate to the outflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items which qualify for reporting in this category. The first item, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second and third items relate to the inflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

**S. Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**T. Implementation of Governmental Accounting Standards Board (GASB) Statements**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

**Statement No. 91**, Conduit Debt Obligations. This statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation.

**Statement No. 94**, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

**Statement No. 96**, Subscription-Based Information Technology Arrangements. This statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The definition and uniform guidance will result in greater consistency in practice.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**T. Implementation of Governmental Accounting Standards Board (GASB) Statements (Continued)**

**Statement No. 99**, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

**U. Future Accounting Pronouncements**

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 99 “Omnibus 2022” The requirements of this statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 100 “Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62” The requirements of this statement are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Deficit Fund Balance**

The following major fund had a deficit fund balance at June 30, 2023:

Capital Improvement Projects	\$	652,953
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The following non-major governmental fund had a deficit fund balance at June 30, 2023:

DUI Grant	\$	5,782
EPA Brownfields		83,016

Some of these deficits may be eliminated in the future through grant revenues. Certain amounts of these deficits will ultimately become the responsibility of the General fund.

**NOTE 3: CASH AND INVESTMENTS**

**A. Financial Statement Presentation**

As of June 30, 2023, the City’s cash and investments are reported in the financial statements as follows:

Governmental activities	\$	22,390,212
Business-type activities		11,085,331
Fiduciary funds		<u>797,753</u>
Total Cash and Investments	\$	<u><u>34,273,296</u></u>

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**A. Financial Statement Presentation (Continued)**

As of June 30, 2023, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 850
Deposits (less outstanding checks)	2,351,766
Cash with fiscal agent	<u>606,479</u>
Total Cash	<u>2,959,095</u>
Investments:	
In City's pool	20,487,352
Investments with fiscal agent	<u>10,826,849</u>
Total Investments	<u>31,314,201</u>
Total Cash and Investments	<u>\$ 34,273,296</u>

**B. Cash**

At year end, the carrying amount of the City's cash deposits (including amounts in checking, savings, and money market accounts) was \$2,958,245 and the bank balance was \$2,858,368. The difference between the bank balance and the carrying amount represents outstanding warrants and deposits in transit. In addition, the City had cash on hand of \$850.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, interest bearing deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the City's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized. The City's investment policy does not further limit its deposits.

**C. Investments**

The City has an investment policy, the purpose of which is to establish guidelines for the prudent investment of the City's funds, and outline the policies for maximizing the efficiency of the City's cash management program. The ultimate goal is to enhance the economic status of the City while protecting its pooled investments.

The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Under the provisions of the City’s investment policy and the California Government Code, the City may invest or deposit in the following:

- United States Treasury Bills, Bonds and Notes
- Securities of the U.S. Government and its Agencies
- State Obligations – CA and Others
- Local Agency Obligations of California Issuers
- Local Agency Investment Fund (State Pool) Demand Deposits (LAIF)
- Certificates of Deposit
- Bankers’ Acceptances
- Commercial Paper
- Passbook Savings Accounts
- Investment of Bond Proceeds

Fair Value of Investments - The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The City’s position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the City’s investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2023, the City had the following recurring fair value measurements:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Investments by Fair Value Level</b>				
Federal Agencies	\$14,344,562	\$14,344,562		
US Treasuries	493,440	493,440	\$ -	\$ -
Certificates of Deposit	<u>5,649,350</u>	<u>5,649,350</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	20,487,352	<u>\$20,487,352</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Investments in External Investment Pools</b>				
LAIF	<u>10,826,849</u>			
Total Investments	<u>\$31,314,201</u>			

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit the exposure to fair value losses resulting from increases in interest rates, the City’s investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the City to meet all projected obligations. Any investments that mature more than five years from the date of purchase cannot occur without prior approval of the City Council.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

As of June 30, 2023, the City had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
Federal Agencies	0.660-5.600%	\$ 2,727,670	\$11,616,892	\$14,344,562	2.27
US Treasuries	4.250%	-	493,440	493,440	0.04
Certificates of Deposit	0.850-5.200%	1,227,393	4,421,957	5,649,350	2.24
LAIF	Variable	<u>10,826,849</u>	-	<u>10,826,849</u>	-
Total Investments		<u>\$14,781,912</u>	<u>\$16,532,289</u>	<u>\$31,314,201</u>	<u>0.42</u>

Credit Risk - 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 by a nationally recognized statistical rating organization. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. Presented below is the minimum rating required (where applicable) by the California Government Code or the City's investment policy, and the actual rating as of year-end for each investment type.

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Federal Home Loan Bank	-	AA+	Aaa	39.60%
Federal Home Loan Bank Mortgage Corporation	-	AA+	Aaa	1.54%
Federal Farm Credit Bank	-	AA+	Aaa	4.67%
US Treasuries	N/A	Unrated	Unrated	1.58%
Certificates of Deposit	N/A	Unrated	Unrated	18.04%
LAIF	N/A	Unrated	Unrated	<u>34.57%</u>
Total				<u>100.00%</u>

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the City's investment policy requires that all securities owned by the City shall be held in safekeeping by a third-party bank trust department.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury Securities, mutual funds and external investment pools) at June 30, 2023 did not exceed 5 percent.



**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**D. Investment in External Investment Pool**

The City of Grass Valley maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2023, the City's investment in LAIF valued at amortized cost was \$10,826,849 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$178.4 billion. Of that amount, 97.22 percent is invested in non-derivative financial products and 2.78 percent in structured notes and asset-backed securities.

**NOTE 4: CAPITAL ASSETS**

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

	Balance July 1, 2022	Additions	Transfers/ Retirements	Balance June 30, 2023
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 3,412,714	\$ 266,311	\$ 10,000	\$ 3,689,025
Construction in progress	6,494,291	7,317,390	( 116,699)	13,694,982
Total Capital Assets, Not Being Depreciated	<u>9,907,005</u>	<u>7,583,701</u>	<u>( 106,699)</u>	<u>17,384,007</u>
Capital Assets, Being Depreciated				
Infrastructure	76,165,022	3,522,361	106,699	79,794,082
Buildings and improvements	15,649,324	-	-	15,649,324
Equipment	12,051,963	507,692	-	12,559,655
Vehicles	722,927	-	-	722,927
Software	161,626	-	-	161,626
Total Capital Assets, Being Depreciated	<u>104,750,862</u>	<u>4,030,053</u>	<u>106,699</u>	<u>108,887,614</u>
Less Accumulated Depreciation For:				
Infrastructure	( 38,568,880)	( 2,365,523)	-	( 40,934,403)
Buildings and improvements	( 9,926,793)	( 574,307)	-	( 10,501,100)
Equipment	( 8,727,722)	( 695,675)	-	( 9,423,397)
Vehicles	( 389,841)	( 124,008)	-	( 513,849)
Software	( 127,306)	( 4,290)	-	( 131,596)
Total Accumulated Depreciation	<u>( 57,740,542)</u>	<u>( 3,763,803)</u>	<u>-</u>	<u>( 61,504,345)</u>
Total Capital Assets, Being Depreciated, Net	<u>47,010,320</u>	<u>266,250</u>	<u>106,699</u>	<u>47,383,269</u>
Governmental Activities Capital Assets, Net	<u>\$ 56,917,325</u>	<u>\$ 7,849,951</u>	<u>\$ -</u>	<u>\$ 64,767,276</u>

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

	Balance July 1, 2022	Additions	Transfers/ Retirements	Balance June 30, 2023
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 339,401	\$ -	\$ -	\$ 339,401
Construction in progress	800,168	505	-	800,673
Total Capital Assets, Not Being Depreciated	1,139,569	505	-	1,140,074
Capital Assets, Being Depreciated				
Infrastructure	20,284,866	-	-	20,284,866
Buildings and improvements	65,058,437	-	-	65,058,437
Equipment	2,173,712	104,627	-	2,278,339
Total Capital Assets, Being Depreciated	87,517,015	104,627	-	87,621,642
Less Accumulated Depreciation For:				
Infrastructure	( 11,918,613)	( 421,708)	-	( 12,340,321)
Buildings and improvements	( 31,963,212)	( 1,805,490)	-	( 33,768,702)
Equipment	( 1,379,543)	( 147,283)	-	( 1,526,826)
Total Accumulated Depreciation	( 45,261,368)	( 2,374,481)	-	( 47,635,849)
Total Capital Assets, Being Depreciated, Net	42,255,647	( 2,269,854)	-	39,985,793
Business-Type Activities Capital Assets, Net	\$ 43,395,216	(\$2,269,349)	\$ -	\$ 41,125,867

**Depreciation**

Depreciation expense was charged to governmental activities as follows:

General government	\$ 115,422
Public protection	758,813
Public ways and facilities	2,663,235
Recreation and culture	226,333
Total Depreciation Expense – Governmental Activities	<u>\$ 3,763,803</u>

Depreciation expense was charged to the business-type activities as follows:

Water	\$ 462,615
Sewer	1,911,866
Total Depreciation Expense – Business-Type Activities	<u>\$ 2,374,481</u>

**Construction in Progress**

Construction in progress for governmental activities related primarily to work performed on City improvement projects. Construction in progress for business-type activities related primarily to work performed on the water system plan and wastewater treatment facility improvements.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 5: INTERFUND TRANSACTIONS**

**Due From/To Other Funds**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2023:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 72,548	\$ -
Nonmajor governmental funds	-	72,548
Fiduciary Funds	<u>30,899</u>	<u>30,899</u>
Total	<u>\$ 103,447</u>	<u>\$ 103,447</u>

**Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, reimbursement of various City operations and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 466,970	\$ 628,555
Measure "E"	-	2,182,128
Capital Improvement Projects	8,514,239	-
Special Projects	-	3,938,705
Nonmajor governmental funds	135,019	1,407,507
Water	-	771,475
Sewer	-	<u>187,858</u>
Total	<u>\$ 9,116,228</u>	<u>\$ 9,116,228</u>

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 6: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

Type of Indebtedness	Balance July 1, 2022	Additions	Adjustments/ Retirements	Balance June 30, 2023	Amounts Due Within One Year
<b>Governmental Activities</b>					
Pension obligation bonds	\$ 16,848,000	\$ -	(\$ 716,000)	\$ 16,132,000	\$ 766,000
Capital leases	7,866,536	219,718	( 796,998)	7,289,256	800,163
Compensated absences	1,341,891	1,022,288	( 975,102)	1,389,077	612,831
Total Governmental Activities	<u>\$ 26,056,427</u>	<u>\$ 1,242,006</u>	<u>(\$2,488,100)</u>	<u>\$ 24,810,333</u>	<u>\$ 2,178,994</u>
<b>Business-Type Activities</b>					
Direct borrowing loans payable	\$ 1,395,296	\$ -	(\$ 654,697)	\$ 740,599	\$ 124,683
Bonds	2,090,000	-	( 490,000)	1,600,000	510,000
Unamortized premium	156,344	-	( 39,086)	117,258	39,086
Bonds, net	2,246,344	-	( 529,086)	1,717,258	549,086
Capital leases	3,416,216	-	( 291,492)	3,124,724	305,393
Compensated absences	169,878	126,885	( 126,252)	170,511	1,782
Total Business-Type Activities	<u>\$ 7,227,734</u>	<u>\$ 126,885</u>	<u>(\$1,601,527)</u>	<u>\$ 5,753,092</u>	<u>\$ 980,944</u>

Compensated absences are generally liquidated by the fund where the accrued liability occurred. The capital lease liabilities are liquidated by lease payments made by the departments leasing the equipment.

Individual issues of debt payable outstanding at June 30, 2023, are as follows:

**Governmental Activities**

Pension Obligation Bonds:

2020 Taxable Pension Obligation Bonds issued October 22, 2019, in the amount of \$18,311,000, due in annual installments of \$752,000 to \$1,151,000, with an interest rate of 3.60%, and a maturity date on June 1, 2040. The bonds were used for the purposes of (a) refinancing the issuer's outstanding "side fund" obligations in respect of retired miscellaneous employees to the California Public Employees' Retirement System and (b) paying the costs associated with the issuance of the bonds.

	\$ 16,132,000
Total Pension Obligation Bonds	<u>16,132,000</u>
Total Governmental Activities	<u>\$ 16,132,000</u>

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 6: LONG-TERM LIABILITIES (CONTINUED)**

**Business-Type Activities**

Loans from Direct Borrowings:

California Department of Water Resources Safe Drinking Water Loan, dated March 12, 1991, in the amount of \$3,225,000, payable in semi-annual installments of \$74,329, with an interest rate of 3.37%, and maturity on September 30, 2028. The loan proceeds were used to finance certain improvements to the City's water system.	<u>\$ 740,599</u>
Total Loans from Direct Borrowings	<u>740,599</u>

Bonds:

2011 Wastewater Refunding Bonds, issued on August 1, 2011, in the amount of \$5,930,000, due in annual installments of \$311,000 to \$555,000, with an interest rate of 2.0% to 5.0%, and a maturity date of August 1, 2025. The bonds were used to refund the Wastewater Certificates of Participation.	<u>1,600,000</u>
Total Bonds	<u>1,600,000</u>
Total Business-Type Activities	<u>\$ 2,340,599</u>

The City has pledged sewer operations revenue, net of specified operating expenses, to repay the loan from direct borrowings in the amount of \$740,599 issued in March 1991.

Following is a schedule of debt payment requirements of governmental activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, and capital leases which are reported in Note 7.

**Governmental Activities**

Year Ended June 30	Pension Obligation Bonds		
	Principal	Interest	Totals
2024	\$ 766,000	\$ 580,752	\$ 1,346,752
2025	791,000	553,176	1,344,176
2026	811,000	524,700	1,335,700
2027	831,000	495,504	1,326,504
2028	852,000	465,558	1,317,558
2029-2033	4,597,000	1,851,876	6,448,876
2034-2038	5,211,000	981,288	6,192,288
2039-2040	2,273,000	123,264	2,396,264
Total	\$ 16,132,000	\$ 5,576,118	\$ 21,708,118

**Business-Type Activities**

Year Ended June 30	Loans from Direct Borrowings		
	Principal	Interest	Totals
2024	\$ 124,683	\$ 23,975	\$ 148,658
2025	129,010	19,648	148,658
2026	133,355	15,303	148,658
2027	137,888	10,770	148,658
2028	142,566	6,092	148,658
2029	73,097	1,232	74,329
Total	\$ 740,599	\$ 77,020	\$ 817,619

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 6: LONG-TERM LIABILITIES (CONTINUED)**

**Business-Type Activities (Continued)**

Year Ended June 30	Bonds		
	Principal	Interest	Totals
2024	\$ 510,000	\$ 57,738	\$ 567,738
2025	535,000	34,288	569,288
2026	555,000	11,794	566,794
Total	<u>\$ 1,600,000</u>	<u>\$ 103,820</u>	<u>\$ 1,703,820</u>

**NOTE 7: LEASES**

**Capital Leases**

The City has entered into certain capital lease agreements under which the related equipment will become the property of the City when all terms of the lease agreements are met.

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2023
Governmental activities	1.06-3.900%	\$ 7,289,256
Business-type activities	4.675%	<u>3,124,724</u>
Total		<u>\$ 10,413,980</u>

Equipment and related accumulated depreciation under capital lease are as follows:

	Governmental Activities	Business-Type Activities
Equipment	\$ 6,754,846	\$ 5,489,336
Less: accumulated depreciation	<u>( 1,610,834)</u>	<u>( 2,206,425)</u>
Net Value	<u>\$ 5,144,012</u>	<u>\$ 3,282,911</u>

As of June 30, 2023, capital lease annual amortization is as follows:

Year Ended June 30	Governmental Activities	Business-Type Activities
2024	\$ 932,327	\$ 382,435
2025	888,173	392,584
2026	860,028	404,041
2027	826,353	202,530
2028	807,270	215,059
2029-2033	3,312,923	1,284,294
2034-2036	<u>354,020</u>	<u>687,216</u>
Total Requirements	7,981,094	3,568,159
Less: interest	<u>( 691,838)</u>	<u>( 443,435)</u>
Present Value of Remaining Payments	<u>\$ 7,289,256</u>	<u>\$ 3,124,724</u>

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 8: NET POSITION**

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Net Position Restricted by Enabling Legislation**

The government-wide Statement of Net Position reports \$23,410,181 of restricted net position, of which \$556,868 is restricted by enabling legislation.

**Net Position Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

**NOTE 9: FUND BALANCES**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 9: FUND BALANCES (CONTINUED)**

- **Assigned fund balance** - amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the City’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The fund balances for all major and nonmajor governmental funds as of June 30, 2023, were distributed as follows:

	General Fund	Measure “E”	Housing	Capital Improvement Projects	Special Projects	Other Governmental Funds	Totals
<b>Nonspendable:</b>							
Prepaid costs	\$ 13,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,021
Loans receivable	-	-	7,910,751	-	-	866,554	8,777,305
Subtotal	<u>13,021</u>	<u>-</u>	<u>7,910,751</u>	<u>-</u>	<u>-</u>	<u>866,554</u>	<u>8,790,326</u>
<b>Restricted for:</b>							
General	296,687	-	-	-	-	-	296,687
Housing	-	-	713,021	-	-	-	713,021
Gas tax	-	-	-	-	-	261,790	261,790
Maintenance districts	-	-	-	-	-	161,366	161,366
Block grants Elizabeth	-	-	-	-	-	133,712	133,712
Daniels Park	-	-	-	-	-	101,028	101,028
Animal shelter	-	-	-	-	-	2,103	2,103
Subtotal	<u>296,687</u>	<u>-</u>	<u>713,021</u>	<u>-</u>	<u>-</u>	<u>659,999</u>	<u>1,669,707</u>
<b>Assigned:</b>							
Measure “E”	-	3,833,719	-	-	-	-	3,833,719
Special Projects	-	-	-	-	6,148,877	-	6,148,877
Fire reserve	-	-	-	-	-	211,959	211,959
Traffic safety	-	-	-	-	-	1,049	1,049
Impact fees	-	-	-	-	-	2,614,763	2,614,763
Vehicle replacement	-	-	-	-	-	14,011	14,011
Downtown assessment	-	-	-	-	-	83,323	83,323
Subtotal	<u>-</u>	<u>3,833,719</u>	<u>-</u>	<u>-</u>	<u>6,148,877</u>	<u>2,925,105</u>	<u>12,907,701</u>
<b>Unassigned</b>	<u>8,357,981</u>	<u>-</u>	<u>-</u>	<u>( 652,953)</u>	<u>-</u>	<u>( 88,798)</u>	<u>7,616,230</u>
<b>Total</b>	<u>\$8,667,689</u>	<u>\$ 3,883,719</u>	<u>\$ 8,623,772</u>	<u>(\$ 652,953)</u>	<u>\$ 6,148,877</u>	<u>\$ 4,362,860</u>	<u>\$ 30,983,964</u>



**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 9: FUND BALANCES (CONTINUED)**

**Fund Balance Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policy**

The City Council has adopted a fund balance policy for financial statement reporting. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures.

**NOTE 10: PENSION PLAN**

**A. General Information about the Pension Plan**

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety police, Safety fire, and Miscellaneous (all other) Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City 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.

Effective January 1, 2013, the City added retirement tiers for the Miscellaneous and Safety Rate Tiers for new employees as required under the Public Employee Pension Reform Act (PEPRA). Classic employees are generally defined as employees who have been a member of any public retirement system who have had less than a six-month break in service. Applicable new hires to the City defined as classic employees as determined by PERS will be subject to the non-PEPRA plan. New non-classic employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new non-classic employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the City's retirement costs.

**Summary of Rate Tiers and Eligible Participants**

Open for New Enrollment

Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Safety Police PEPRA	Safety police members hired on or after January 1, 2013
Safety Fire PEPRA	Safety fire members hired on or after January 1, 2013

Closed to New Enrollment

Miscellaneous	Miscellaneous members hired before January 1, 2013
Safety Police	Safety police members hired before January 1, 2013
Safety Police Second Tier	Safety police members hired before January 1, 2013
Safety Fire	Safety fire members hired before January 1, 2013

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 10: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan Members if membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.5% @ 55	50 - 55	2.000% to 2.500%
Miscellaneous PEPRA	2.0% @ 62	52 - 67	1.000% to 2.500%
Safety Police	3.0% @ 50	50	3.000%
Safety Police Second Tier	3.0% @ 50	50	3.000%
Safety Police PEPRA	2.7% @ 57	50 - 57	2.000% to 2.700%
Safety Fire	3.0% @ 55	50 - 55	2.400% to 3.000%
Safety Fire PEPRA	2.7% @ 57	50 - 57	2.000% to 2.700%

**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 all Plans 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	12.210%	8.000%	0.000%
Miscellaneous PEPRA	7.470%	6.750%	0.000%
Safety Police	23.750%	9.000%	0.000%
Safety Police Second Tier	21.840%	9.000%	0.000%
Safety Police PEPRA	12.780%	13.000%	0.000%
Safety Fire	21.840%	9.000%	0.000%
Safety Fire PEPRA	12.780%	13.000%	0.000%

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 10: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Contributions (Continued)**

For the year ended June 30, 2023, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 474,705	\$ -
Safety	1,096,345	-

**B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension**

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability 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 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 plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 was as follows:

	<u>Proportion June 30, 2022</u>	<u>Proportion June 30, 2023</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	-0.16808%	0.08208%	0.24295%
Safety	-0.10849%	0.06208%	0.17057%

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 3,840,840
Safety	<u>4,265,743</u>
Total Net Pension Liability (Asset)	<u>\$ 8,106,583</u>

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 10: PENSION PLAN (CONTINUED)**

**B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)**

For the year ended June 30, 2023, the City recognized pension expense of \$14,528,937. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 2,723,824	\$ -
Changes of assumptions	823,690	-
Difference between expected and actual experience	253,675	( 97,981)
Difference between projected and actual earnings on pension plan investments	1,377,160	-
Difference between City contributions and proportionate share of contributions	3,408,077	( 3,822,107)
Amortization due to differences in proportions	<u>8,084,907</u>	<u>( 3,251,188)</u>
Total	<u>\$ 16,671,333</u>	<u>(\$ 7,171,276)</u>

\$2,723,824 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 related to pension will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2024	\$ 2,474,423
2025	2,142,432
2026	1,318,152
2027	841,226
Thereafter	<u>-</u>
Total	<u>\$ 6,776,233</u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2021 actuarial valuation 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%
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 10: PENSION PLAN (CONTINUED)**

**B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)**

**Actuarial Assumptions (Continued)**

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

**Discount Rate**

The discount rate used to measure the total pension liability for PERFC was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Long-Term Expected Rate of Return**

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (1, 2)</u>
Global Equity – Cap-Weighted	30.0%	4.54%
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%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	( 5.0%)	( 0.59%)
Total	<u>100.0%</u>	

(1) An expected price inflation of 2.30% used for this period

(2) Figures are based on the 2021 Asset Liability Management Study

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 10: PENSION PLAN (CONTINUED)**

**B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)**

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

The following presents the City’s proportionate share of the net pension liability for the Plan as of the measurement date, calculated using the discount rate for the 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:

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Miscellaneous	\$ 9,403,766	\$ 3,840,840	(\$ 736,066)
Safety	11,164,168	4,265,743	( 1,372,161)

**Pension Plan Fiduciary Net Position**

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

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. General Information about the OPEB Plan**

**Plan Description**

The only OPEB provided by the City is a contribution toward the cost of retiree medical coverage for qualifying retirees. No assets were accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

**Benefits Provided**

Medical coverage is currently provided through CalPERS as permitted under the Public Employees’ Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS, which requires either (1) attainment of age 50 (age 52, if a miscellaneous PEPR member) with 5 years of State or public agency service or (2) an approved disability retirement. The employee must begin his or her pension benefit within 120 days of terminating employment with the City to be eligible to continue medical coverage through the City and to receive the employer subsidy described below.

Once eligible for medical coverage as a retiree, he or she may enroll within 60 days of retirement or during any future open enrollment period. Coverage may be continued at the retiree’s option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

As a PEMHCA employer, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree’s lifetime or until coverage is discontinued. The City has several resolutions with CalPERS which define the City’s contributions to comply with PEMHCA. Additional benefits are provided to long-service retirees who meet other age and/or service requirements.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**A. General Information about the OPEB Plan (Continued)**

**Benefits Provided (Continued)**

The City contributes toward the cost of retiree’s medical coverage as follows:

- (1) For all employees who retire under PERS from the City meeting the requirements described in the first paragraph of this section, the City will contribute the required PEMHCA Minimum Employer Contribution (MEC). This MEC contribution is payable for the lifetime of the retiree or until CalPERS medical coverage is discontinued. The MEC generally continues to a surviving spouse, if covered by a CalPERS medical plan at the time of the retiree’s death. Additional details about these PEMHCA benefits are provided on the following page.
  
- (2) In addition to any benefits payable in 1) above, if the retiree satisfies the age and service conditions set by agreement for their unit, the City will contribute an additional amount toward the cost of coverage each month; the benefit amount is fixed for each employee at the date of his or her retirement. Election of CalPERS medical coverage is not required to receive this benefit. This additional benefit, if payable, ends at the earlier of age 65 or the retiree’s death; there is no continuation of this benefit to a surviving spouse.

Details on the requirements for these additional benefits and the amounts payable are provided in the chart below.

Unit	Description	Minimum Age	Minimum Service	Monthly Subsidy*	Ben Ends
ESE	Department Heads	55 for Misc Ees 50 for Safety Ees	Hired prior to 7/1/2011: 5 Years with the City	80% of Blue Shield Net Value HMO Region 1 premiums for employee only up to \$500***	age 65**
			Hired on or after 7/1/2011: 10 years with the City	\$250	
1	Management & Supervisory	PERS retirement	Retiring after 7/2/2006: 25 years with the City	\$250	
2	General Employees	PERS retirement	Retiring after 7/1/2006: 25 years with the City	\$250	
3	Operating Engineers & Stationary Engineers	PERS retirement	Retiring after 7/1/2006: 25 years with the City	\$250	
6	Police Officers	PERS retirement	Hired prior to 1/1/2016: 25 years with the City	\$300	
8	Firefighters	PERS retirement	Hired prior to 1/1/2016: 25 years with the City	50% of premiums for the lowest cost Region 1 plan for employee and spouse	

\*Monthly benefits other than the PEMHCA minimum benefit are paid whether or not medical coverage is through the City.

\*\*There are 4 retirees with grandfathered lifetime benefits.

\*\*\*Effectively \$500, since 80% of the Blue Shield Net Value HMO Region 1 exceeds \$500.

Different benefits amounts may be payable to employees who retired prior to the valuation date.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**A. General Information about the OPEB Plan (Continued)**

**Benefits Provided (Continued)**

The City has been under contract with CalPERS for medical plan coverage since 1994, though coverage for some groups began later, in 1999. Each PEMHCA resolution was adopted on an “unequal contribution” basis, where the employer’s contribution toward retiree medical benefits is determined by multiplying together (a) 5% times (b) the number of prior years the employer has been contracted with PEMHCA times (c) the contribution the employer makes towards active employee health benefits, but not less than the required Minimum Employer Contribution (MEC).

Despite the wording in these PEMHCA resolutions, however, the City’s practice has been to pay the full Minimum Employer Contribution (\$149 per month for 2022), regardless of the number of years since each resolution was adopted. It was assumed this practice would continue and future retiree PEMHCA benefits were valued accordingly.

**Employees Covered by Benefit Terms**

At June 30, 2023, the following employees were covered by the benefit terms:

Active employees	96
Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not receiving benefits	<u>3</u>
Total	<u><u>147</u></u>

**B. Net OPEB Liability**

The City’s net OPEB liability of \$5,246,046 was measured as of June 30, 2023, and was determined by the actuarial valuation as of that date.

**Actuarial Assumptions and Other Inputs**

The net OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2022
Measurement Date	Last day of the current fiscal year (June 30, 2023)
Funding Method	Entry Age Normal Cost, level of percent of pay
Municipal Bond Index	S&P General Obligation 20 Year High Grade Municipal Bond Index
Discount Rates	4.13% as of June 30, 2023, 4.09% as of June 30, 2022
Participants Valued	Only current active employees, retired participants and covered dependents are valued. No future entrants are included.
Salary Increase	3.0% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
General Inflation Rate	2.5% per year
Healthcare cost trend rates	5.60% for 2024, decreasing to an ultimate rate of 3.9% for 2076 and later years
Mortality rates	MacLeod Watts Scale 2022 applied generationally from 2015.



**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**B. Net OPEB Liability (Continued)**

**Actuarial Assumptions and Other Inputs (Continued)**

Demographic actuarial assumptions used in the June 30, 2022 valuation are those published in the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019 and applicable to the City’s employees and retirees, except projection of future mortality improvement.

**C. Changes in the Net OPEB Liability**

The table below shows the changes in the total OPEB liability, the Plan fiduciary net position (i.e., fair value of the Plan assets), and the net OPEB liability during the measurement period ending on June 30, 2023 for the City’s proportionate share.

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at fiscal year ending June 30, 2022	\$ 5,015,710	\$ -	\$ 5,015,710
Changes during the period:			
Service cost	277,668	-	277,668
Interest cost	211,689	-	211,689
Change of assumptions	( 23,863)	-	( 23,863)
Contributions – employer	-	235,158	( 235,158)
Benefit payments	( 235,158)	( 235,158)	-
Net Changes	<u>230,336</u>	<u>-</u>	<u>230,336</u>
Balances at fiscal year ending June 30, 2023	<u>\$ 5,246,046</u>	<u>\$ -</u>	<u>\$ 5,246,046</u>

**C. Changes in the Net OPEB Liability**

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the City, as well as what the City’s net 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 <u>3.13%</u>	Current Rate <u>4.13%</u>	1% Increase <u>5.13%</u>
Net OPEB liability	\$ 5,979,748	\$ 5,246,046	\$ 4,637,071

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates**

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	Current Trend <u>-1%</u>	Current Trend	Current Trend <u>+1%</u>
Net OPEB Liability	\$ 4,557,486	\$ 5,246,046	\$ 6,110,706

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$182,601. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 438,282	(\$ 1,594,558)
Differences between expected and actual experience	714,315	( 1,769,514)
Total	\$ 1,152,597	(\$ 3,364,072)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30	
2024	(\$ 306,756)
2025	( 306,756)
2026	( 320,122)
2027	( 338,493)
2028	( 344,802)
Thereafter	( 594,546)
	(\$ 2,211,475)

**NOTE 12: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities to participate in the Public Agency Risk Sharing Authority of California (PARSAC) for general liability, vehicle liability, and errors and omissions purposes. PARSAC is a public entity risk pool which serves as a common risk management program for 33 member cities and one fire district. The City pays an annual premium to PARSAC for its insurance coverage. The agreements with PARSAC provide that they will be self-sustaining through member premiums and will reinsure through commercial companies for excess coverage.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 12: RISK MANAGEMENT (CONTINUED)**

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

**NOTE 13: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Grass Valley that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. The City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City included in the fund financial statements as Former Redevelopment Agency Special Revenue Fund and Low/Moderate Income Housing Fund.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 13: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012, (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012, was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

**A. Loans Receivable**

The Agency has made loans to qualifying participants within the City of Grass Valley to provide housing to low- and moderate-income participants and to provide assistance to entities within the redevelopment area.

At June 30, 2023, loans receivable consisted of the following:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2023</u>
<b>Redevelopment Housing:</b>				
Springhill Garden Apts	\$ 717,000	\$ -	\$ -	\$ 717,000
Valley Commons	<u>262,297</u>	<u>-</u>	<u>-</u>	<u>262,297</u>
Total Loans Receivable	<u>\$ 979,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 979,297</u>

**Redevelopment Housing**

On October 1, 2008, the City of Grass Valley Redevelopment Agency entered into an agreement with Springhill Gardens Associates, L.P. to provide a \$600,000 loan for the development of Springhill Garden Apartments. The loan bears an interest rate of 3 percent and is payable in annual installments commencing in 2011 until January 15, 2040.

**CITY OF GRASS VALLEY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 13: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**B. Long-Term Liabilities**

The Agency generally incurs debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The Agency's debt issue and transactions related to governmental activities are summarized below and discussed in detail separately.

Type of Indebtedness	Balance July 1, 2022	Additions	Adjustments/ Retirements	Balance June 30, 2023	Amounts Due Within One Year
2014 Tax Allocation Refunding Bonds	\$ 4,555,000	\$ -	(\$ 4,555,000)	\$ -	\$ -
Less: discount	( 69,658)	-	69,658	-	-
2020A Tax Allocation Refunding Bonds	2,655,000	-	( 160,000)	2,495,000	160,000
Plus: premium	290,763	-	( 5,874)	284,889	5,874
2020B Tax Allocation Refunding Bonds	4,950,000	-	( 180,000)	4,770,000	190,000
Less: discount	( 70,506)	-	726	( 69,780)	( 726)
Total Successor Agency Trust	<u>\$ 12,310,599</u>	<u>\$ -</u>	<u>(\$ 4,830,490)</u>	<u>\$ 7,480,109</u>	<u>\$ 355,148</u>

**Bonds:**

2020 Series A Tax Allocation Refunding Bonds, issued on May 28, 2020, in the amount of \$2,955,000 and payable in annual installments of \$145,000 to \$255,000, with an interest rate of 4.00% and maturity on December 1, 2034. The bonds were used to refund the 2010 Tax Allocation Bonds. \$ 2,495,000

2020 Series B Tax Allocation Refunding Bonds, issued on May 28, 2020, in the amount of \$5,300,000 and payable in annual installments of \$175,000 to \$585,000, with an interest rate of 2.00% to 3.60% and maturity on December 1, 2038. The bonds were used to finance redevelopment activities and for the acquisition of capital assets. 4,770,000

Total Bonds \$ 7,265,000

**NOTE 14: OTHER INFORMATION**

**A. Commitments and Contingencies**

At June 30, 2023, the City had construction commitments outstanding of approximately \$1,150,046.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

**B. Subsequent Events**

Management has evaluated events subsequent to June 30, 2023 through March 28, 2024, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

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**CITY OF GRASS VALLEY**  
**Required Supplementary Information**  
**City Pension Plan**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**For the Year Ended June 30, 2023**  
**Last 10 Years\***

<b>Measurement Date</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>Miscellaneous</b>				
Proportion of the net pension liability	0.08394%	0.25762%	0.25637%	0.25883%
Proportionate share of the net pension liability	\$ 5,222,688	\$ 7,067,820	\$ 8,905,897	\$ 10,203,070
Covered payroll	3,051,114	2,720,788	2,845,140	2,773,466
Proportionate share of the net pension liability as a percentage of covered payroll	171.17%	259.77%	313.02%	367.88%
Plan fiduciary net position as a percentage of the total pension liability	83.04%	92.07%	72.46%	70.80%
<b>Safety</b>				
Proportion of the net pension liability	0.06786%	0.14104%	0.14610%	0.14705%
Proportionate share of the net pension liability	\$ 5,092,498	\$ 5,811,191	\$ 7,567,090	\$ 8,786,698
Covered payroll	2,460,728	2,776,953	2,575,241	2,902,953
Proportionate share of the net pension liability as a percentage of covered payroll	206.95%	209.27%	293.84%	302.68%
Plan fiduciary net position as a percentage of the total pension liability	81.39%	94.68%	74.20%	73.59%

\* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only nine years are shown.

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
0.26760%	0.27139%	0.04686%	-0.16808%	0.08208%
\$ 10,085,168	\$ 10,867,668	\$ 1,976,738	\$ (3,054,690)	\$ 3,840,840
2,711,644	2,892,638	3,229,280	2,970,991	3,100,793
371.92%	375.70%	61.21%	-102.82%	123.87%
71.60%	70.67%	94.71%	107.86%	90.59%
0.15134%	0.15536%	0.03239%	-0.10849%	0.06208%
\$ 8,880,045	\$ 9,698,412	\$ 2,157,733	\$ (3,807,408)	\$ 4,265,743
3,240,879	3,586,719	3,838,273	4,295,879	5,206,157
274.00%	270.40%	56.22%	-88.63%	81.94%
75.52%	75.05%	94.82%	108.58%	91.46%

**CITY OF GRASS VALLEY**  
**Required Supplementary Information**  
**City Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2023**  
**Last 10 Years\***

<b>Fiscal Year</b>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
<b>Miscellaneous</b>				
Contractually required contributions (actuarially determined)	\$ 414,652	\$ 423,229	\$ 606,756	\$ 632,072
Contributions in relation to the actuarially determined contributions	<u>(414,652)</u>	<u>(423,229)</u>	<u>(606,756)</u>	<u>(632,072)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,720,788	\$ 2,845,140	\$ 2,773,466	\$ 2,711,644
Contributions as a percentage of covered payroll	15.24%	14.88%	21.88%	23.31%
<b>Safety</b>				
Contractually required contributions (actuarially determined)	\$ 577,372	\$ 644,510	\$ 821,329	\$ 910,702
Contributions in relation to the actuarially determined contributions	<u>(577,372)</u>	<u>(644,510)</u>	<u>(821,329)</u>	<u>(910,702)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,776,953	\$ 2,575,241	\$ 2,902,953	\$ 3,240,879
Contributions as a percentage of covered payroll	20.79%	25.03%	28.29%	28.10%

\* The City implemented GASB 68 for fiscal year June 30, 2015, therefore only nine years are shown.

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
\$ 814,931	\$ 936,148	\$ 388,465	\$ 474,705	\$ 826,721
<u>(814,931)</u>	<u>(18,566,415)</u>	<u>(388,465)</u>	<u>(474,705)</u>	<u>(826,721)</u>
<u>\$ -</u>	<u>\$ (17,630,267)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,892,638 28.17%	\$ 3,229,280 574.94%	\$ 2,970,991 13.08%	\$ 3,100,793 15.31%	\$ 3,622,706 22.82%
\$ 1,035,238	\$ 1,248,549	\$ 906,738	\$ 1,096,345	\$ 1,897,103
<u>(1,035,238)</u>	<u>(1,248,549)</u>	<u>(906,738)</u>	<u>(1,096,345)</u>	<u>(1,897,103)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,586,719 28.86%	\$ 3,838,273 32.53%	\$ 4,295,879 21.11%	\$ 5,206,157 21.06%	\$ 5,744,399 33.03%

**CITY OF GRASS VALLEY**  
**Required Supplementary Information**  
**City Pension Plan**  
**Notes to City Pension Plan**  
**For the Year Ended June 30, 2023**

**NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Summary of Changes of Benefits or Assumptions**

Benefit Changes: None

Changes of Assumption: None

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2021
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll (Pre-2019 basis). Level Dollar
Remaining Amortization Period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount Rate	7.00%
Payroll Growth	2.75%
Inflation	2.50%
Salary increases	Varies based on entry age and service
Investment rate of return	7.00%

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**CITY OF GRASS VALLEY**  
**Required Supplementary Information**  
**City OPEB Plan**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2023**  
**Last 10 Years\***

	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 381,204	\$ 412,855	\$ 439,142	\$ 370,690
Interest	197,059	202,213	209,424	169,035
Difference between expected and actual experience	-	-	(1,532,906)	-
Changes of assumption	190,503	129,461	25,063	469,386
Benefit payments	<u>(170,170)</u>	<u>(172,147)</u>	<u>(207,097)</u>	<u>(240,646)</u>
<b>Net Change in Total OPEB Liability</b>	598,596	572,382	(1,066,374)	768,465
<b>Total OPEB Liability - Beginning</b>	<u>5,999,700</u>	<u>6,598,296</u>	<u>7,170,678</u>	<u>6,104,304</u>
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 6,598,296</u>	<u>\$ 7,170,678</u>	<u>\$ 6,104,304</u>	<u>\$ 6,872,769</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 170,170	\$ 172,147	\$ 207,097	\$ 240,646
Benefit payments	<u>(170,170)</u>	<u>(172,147)</u>	<u>(207,097)</u>	<u>(240,646)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	-	-	-	-
<b>Plan Fiduciary Net Position - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net OPEB Liability - Ending (a) - (b)</b>	<u>\$ 6,598,296</u>	<u>\$ 7,170,678</u>	<u>\$ 6,104,304</u>	<u>\$ 6,872,769</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 6,726,880	\$ 7,095,244	\$ 7,445,513	\$ 8,622,451
Net OPEB liability as a percentage of covered-employee payroll	98.09%	101.06%	81.99%	79.71%

\* The City implemented GASB 75 for the fiscal year June 30, 2018, therefore only six years are shown.



<u>2021/2022</u>	<u>2022/2023</u>
\$ 428,709	\$ 277,668
156,736	211,689
(234,487)	-
(1,984,454)	(23,863)
<u>(223,563)</u>	<u>(235,158)</u>
(1,857,059)	230,336
<u>6,872,769</u>	<u>5,015,710</u>
<u>\$ 5,015,710</u>	<u>\$ 5,246,046</u>
\$ 223,563	\$ 235,158
<u>(223,563)</u>	<u>(235,158)</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>
<u>\$ 5,015,710</u>	<u>\$ 5,246,046</u>
0.00%	0.00%
\$ 9,811,616	\$ 11,822,437
51.12%	44.37%

**CITY OF GRASS VALLEY**  
**Required Supplementary Information**  
**City OPEB Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2023**  
**Last 10 Years\***

	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Actuarially determined contributions	\$ 170,170	\$ 172,147	\$ 207,097	\$ 240,646
Contributions in relation to the actuarially determined contribution	<u>(170,170)</u>	<u>(172,147)</u>	<u>(207,097)</u>	<u>(240,646)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 6,726,880	\$ 7,095,244	\$ 7,445,513	\$ 8,622,451
Contributions as a percentage of covered-employee payroll	2.53%	2.43%	2.78%	2.79%

\* The City implemented GASB 75 for the fiscal year June 30, 2018, therefore only six years are shown.

<u>2021/2022</u>	<u>2022/2023</u>
\$ 223,563 <u>(223,563)</u>	\$ 235,158 <u>(235,158)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 9,811,616 2.28%	\$ 11,822,437 1.99%

**CITY OF GRASS VALLEY**  
**Required Supplementary Information**  
**City OPEB Plan**  
**Note to City OPEB Plan**  
**For the Year Ended June 30, 2023**

**NOTE 1: SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**

Discount Rate: Increased from 4.09 percent to 4.13 percent.

**CITY OF GRASS VALLEY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 12,722,153	\$ 13,384,708	\$ 13,265,501	\$ (119,207)
Licenses, permits and franchises	1,099,355	1,520,750	1,712,566	191,816
Fines and forfeitures	-	100	186	86
Intergovernmental revenues	481,870	1,135,478	1,545,735	410,257
Use of money and property	76,000	152,075	124,861	(27,214)
Charges for services	1,680,725	228,000	54,843	(173,157)
Other revenues	16,000	20,500	121,408	100,908
<b>Total Revenues</b>	<b>16,076,103</b>	<b>16,441,611</b>	<b>16,825,100</b>	<b>383,489</b>
<b>EXPENDITURES</b>				
Current:				
General government	3,245,836	3,636,197	3,978,275	(342,078)
Public protection	8,918,818	9,249,844	9,480,433	(230,589)
Public ways and facilities	1,331,196	1,285,240	1,262,855	22,385
Community development	889,968	930,913	970,544	(39,631)
Recreation and culture	435,072	518,790	691,947	(173,157)
Debt service:				
Principal	1,026,621	564,848	810,954	(246,106)
Interest	-	461,773	635,747	(173,974)
Capital outlay	400,000	400,000	124,656	275,344
<b>Total Expenditures</b>	<b>16,247,511</b>	<b>17,047,605</b>	<b>17,955,411</b>	<b>(907,806)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(171,408)</b>	<b>(605,994)</b>	<b>(1,130,311)</b>	<b>(524,317)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,000	3,000	466,970	463,970
Transfers out	(135,000)	(455,000)	(628,555)	(173,555)
<b>Total Other Financing Sources (Uses)</b>	<b>(132,000)</b>	<b>(452,000)</b>	<b>(161,585)</b>	<b>290,415</b>
<b>Net Change in Fund Balances</b>	<b>(303,408)</b>	<b>(1,057,994)</b>	<b>(1,291,896)</b>	<b>(233,902)</b>
<b>Fund Balances - Beginning</b>	<b>9,959,585</b>	<b>9,959,585</b>	<b>9,959,585</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 9,656,177</b>	<b>\$ 8,901,591</b>	<b>\$ 8,667,689</b>	<b>\$ (233,902)</b>

**CITY OF GRASS VALLEY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Measure "E" - Major Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 6,900,000	\$ 6,900,000	\$ 6,992,271	\$ 92,271
Use of money and property	10,000	25,000	36,854	11,854
Other revenues	5,000	5,000	980	(4,020)
<b>Total Revenues</b>	<u>6,915,000</u>	<u>6,930,000</u>	<u>7,030,105</u>	<u>100,105</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	181,112	(181,112)
Public safety	3,556,959	3,744,421	3,457,081	287,340
Debt service:				
Principal	-	849,857	680,037	169,820
Interest	-	109,861	140,743	(30,882)
Capital outlay	3,832,913	1,400,000	1,185,381	214,619
<b>Total Expenditures</b>	<u>7,389,872</u>	<u>6,104,139</u>	<u>5,644,354</u>	<u>459,785</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(474,872)</u>	<u>825,861</u>	<u>1,385,751</u>	<u>559,890</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	-	-	219,718	219,718
Transfers out	(3,820,000)	(1,888,269)	(2,182,128)	(293,859)
<b>Total Other Financing Sources (Uses)</b>	<u>(3,820,000)</u>	<u>(1,888,269)</u>	<u>(1,962,410)</u>	<u>(74,141)</u>
<b>Net Change in Fund Balances</b>	<u>(4,294,872)</u>	<u>(1,062,408)</u>	<u>(576,659)</u>	<u>485,749</u>
<b>Fund Balances - Beginning</b>	<u>4,410,378</u>	<u>4,410,378</u>	<u>4,410,378</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 115,506</u>	<u>\$ 3,347,970</u>	<u>\$ 3,833,719</u>	<u>\$ 485,749</u>

**CITY OF GRASS VALLEY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Housing - Major Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Use of money and property	136,100	136,100	106,544	(29,556)
<b>Total Revenues</b>	<u>636,100</u>	<u>636,100</u>	<u>106,544</u>	<u>(529,556)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	525,000	525,000	8,944	516,056
<b>Total Expenditures</b>	<u>525,000</u>	<u>525,000</u>	<u>8,944</u>	<u>516,056</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>111,100</u>	<u>111,100</u>	<u>97,600</u>	<u>(13,500)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(15,000)	(15,000)	-	(15,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
<b>Net Change in Fund Balances</b>	96,100	96,100	97,600	(28,500)
<b>Fund Balances - Beginning</b>	<u>8,526,172</u>	<u>8,526,172</u>	<u>8,526,172</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 8,622,272</u>	<u>\$ 8,622,272</u>	<u>\$ 8,623,772</u>	<u>\$ (28,500)</u>

**CITY OF GRASS VALLEY**  
**Required Supplementary Information**  
**Notes to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2023**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

Formal budgetary integration is employed as a management control device during the year. The City presents a comparison of annual budget to actual results for the General fund and major special revenue funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

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

- (1) The City Manager submits to the City Council a recommended draft budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The City Council reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Council also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as recommended expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during the fiscal year. The City Manager may authorize transfers from one object or purpose to another within the same department.

From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as recommended expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during the fiscal year. The City Manager may authorize transfers from one object or purpose to another within the same department.

**NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS**

For the fiscal year ended June 30, 2023, the City incurred expenditures in excess of appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess of Expenditures Over Appropriations</u>
General fund	\$ 17,047,605	\$ 17,955,411	\$ 907,806



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**Combining Nonmajor Fund Financial Statements**

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## **Nonmajor Governmental Funds**

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**CITY OF GRASS VALLEY**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2023**

	<b>Special Revenue Funds</b>	<b>Permanent Funds</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 3,498,281	\$ 102,873	\$ 3,601,154
Receivables:			
Accounts	21,524	-	21,524
Interest	12,082	258	12,340
Taxes	90,692	-	90,692
Loans receivable	866,554	-	866,554
<b>Total Assets</b>	<b>\$ 4,489,133</b>	<b>\$ 103,131</b>	<b>\$ 4,592,264</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 156,856	\$ -	\$ 156,856
Due to other funds	72,548	-	72,548
<b>Total Liabilities</b>	229,404	-	229,404
<b>FUND BALANCES</b>			
Nonspendable	866,554	-	866,554
Restricted	556,868	103,131	659,999
Assigned	2,925,105	-	2,925,105
Unassigned	(88,798)	-	(88,798)
<b>Total Fund Balances</b>	4,259,729	103,131	4,362,860
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,489,133</b>	<b>\$ 103,131</b>	<b>\$ 4,592,264</b>

**CITY OF GRASS VALLEY**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2023**

	<b>Special Revenue Funds</b>	<b>Permanent Funds</b>	<b>Totals</b>
<b>REVENUES</b>			
Taxes and assessments	\$ 345,244	\$ -	\$ 345,244
Fines and forfeitures	32,399	-	32,399
Intergovernmental revenues	811,559	-	811,559
Use of money and property	35,495	624	36,119
Other revenues	6,999	-	6,999
<b>Total Revenues</b>	<b>1,231,696</b>	<b>624</b>	<b>1,232,320</b>
<b>EXPENDITURES</b>			
Current:			
General government	146,986	-	146,986
Public protection	244,730	-	244,730
Public ways and facilities	72,620	-	72,620
Community development	5,902	-	5,902
Debt Service:			
Principal	22,007	-	22,007
Interest and other charges	6,339	-	6,339
Capital outlay	266,311	-	266,311
<b>Total Expenditures</b>	<b>764,895</b>	<b>-</b>	<b>764,895</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>466,801</b>	<b>624</b>	<b>467,425</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	4,995	-	4,995
Transfers in	135,019	-	135,019
Transfers out	(1,407,507)	-	(1,407,507)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,267,493)</b>	<b>-</b>	<b>(1,267,493)</b>
<b>Net Change in Fund Balances</b>	<b>(800,692)</b>	<b>624</b>	<b>(800,068)</b>
<b>Fund Balances - Beginning</b>	<b>5,060,421</b>	<b>102,507</b>	<b>5,162,928</b>
<b>Fund Balances - Ending</b>	<b>\$ 4,259,729</b>	<b>\$ 103,131</b>	<b>\$ 4,362,860</b>

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## **Nonmajor Governmental Funds**

- **Special Revenue Funds**

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**CITY OF GRASS VALLEY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2023**

	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Fire Reserve</u>	<u>DUI Grant</u>
<b>ASSETS</b>				
Cash and investments	\$ 171,106	\$ -	\$ 209,577	\$ 4,505
Receivables:				
Accounts	-	17,322	3,799	-
Interest	2,545	-	550	11
Taxes	88,139	-	-	-
Loans receivable	-	-	-	-
<b>Total Assets</b>	<u>\$ 261,790</u>	<u>\$ 17,322</u>	<u>\$ 213,926</u>	<u>\$ 4,516</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,700	\$ 1,967	\$ 10,298
Due to other funds	-	14,573	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>16,273</u>	<u>1,967</u>	<u>10,298</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	261,790	-	-	-
Assigned	-	1,049	211,959	-
Unassigned	-	-	-	(5,782)
<b>Total Fund Balances (Deficits)</b>	<u>261,790</u>	<u>1,049</u>	<u>211,959</u>	<u>(5,782)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 261,790</u>	<u>\$ 17,322</u>	<u>\$ 213,926</u>	<u>\$ 4,516</u>

<b>EPA Brownfields</b>	<b>Developer Fees</b>	<b>Vehicle Replacement</b>	<b>Maintenance Districts</b>	<b>Block Grants</b>	<b>Downtown Assessment</b>	<b>Totals</b>
\$ -	\$ 2,724,074	\$ 13,964	\$ 158,882	\$ 133,381	\$ 82,792	\$ 3,498,281
-	-	-	-	-	403	21,524
-	8,036	47	434	331	128	12,082
-	-	-	2,553	-	-	90,692
-	-	-	-	866,554	-	866,554
<b>\$ -</b>	<b>\$ 2,732,110</b>	<b>\$ 14,011</b>	<b>\$ 161,869</b>	<b>\$ 1,000,266</b>	<b>\$ 83,323</b>	<b>\$ 4,489,133</b>
\$ 25,041	\$ 117,347	\$ -	\$ 503	\$ -	\$ -	\$ 156,856
57,975	-	-	-	-	-	72,548
83,016	117,347	-	503	-	-	229,404
-	-	-	-	866,554	-	866,554
-	-	-	161,366	133,712	-	556,868
-	2,614,763	14,011	-	-	83,323	2,925,105
(83,016)	-	-	-	-	-	(88,798)
(83,016)	2,614,763	14,011	161,366	1,000,266	83,323	4,259,729
<b>\$ -</b>	<b>\$ 2,732,110</b>	<b>\$ 14,011</b>	<b>\$ 161,869</b>	<b>\$ 1,000,266</b>	<b>\$ 83,323</b>	<b>\$ 4,489,133</b>

**CITY OF GRASS VALLEY**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2023**

	<b>Gas Tax</b>	<b>Traffic Safety</b>	<b>Fire Reserve</b>	<b>DUI Grant</b>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	32,399	-	-
Intergovernmental revenues	704,402	-	49,921	-
Use of money and property	(2,526)	-	1,392	103
Other revenues	-	6,999	-	-
<b>Total Revenues</b>	<b>701,876</b>	<b>39,398</b>	<b>51,313</b>	<b>103</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public protection	-	173,368	61,064	10,298
Public ways and facilities	-	-	-	-
Community development	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>173,368</b>	<b>61,064</b>	<b>10,298</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>701,876</b>	<b>(133,970)</b>	<b>(9,751)</b>	<b>(10,195)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	135,019	-	-
Transfers out	(835,748)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(835,748)</b>	<b>135,019</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(133,872)</b>	<b>1,049</b>	<b>(9,751)</b>	<b>(10,195)</b>
<b>Fund Balances - Beginning (Deficits)</b>	<b>395,662</b>	<b>-</b>	<b>221,710</b>	<b>4,413</b>
<b>Fund Balances - Ending (Deficits)</b>	<b>\$ 261,790</b>	<b>\$ 1,049</b>	<b>\$ 211,959</b>	<b>\$ (5,782)</b>

<b>EPA Brownfields</b>	<b>Developer Fees</b>	<b>Vehicle Replacement</b>	<b>Maintenance Districts</b>	<b>Block Grants</b>	<b>Downtown Assessment</b>	<b>Totals</b>
\$ -	\$ 208,191	\$ -	\$ 76,943	\$ -	\$ 60,110	\$ 345,244
-	-	-	-	-	-	32,399
57,236	-	-	-	-	-	811,559
-	20,939	455	882	14,162	88	35,495
-	-	-	-	-	-	6,999
<u>57,236</u>	<u>229,130</u>	<u>455</u>	<u>77,825</u>	<u>14,162</u>	<u>60,198</u>	<u>1,231,696</u>
117,088	29,898	-	-	-	-	146,986
-	-	-	-	-	-	244,730
-	-	-	72,620	-	-	72,620
-	-	-	-	5,902	-	5,902
-	-	22,007	-	-	-	22,007
-	-	6,339	-	-	-	6,339
-	266,311	-	-	-	-	266,311
<u>117,088</u>	<u>296,209</u>	<u>28,346</u>	<u>72,620</u>	<u>5,902</u>	<u>-</u>	<u>764,895</u>
<u>(59,852)</u>	<u>(67,079)</u>	<u>(27,891)</u>	<u>5,205</u>	<u>8,260</u>	<u>60,198</u>	<u>466,801</u>
-	-	4,995	-	-	-	4,995
-	-	-	-	-	-	135,019
-	(571,758)	-	-	(1)	-	(1,407,507)
<u>-</u>	<u>(571,758)</u>	<u>4,995</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1,267,493)</u>
(59,852)	(638,837)	(22,896)	5,205	8,259	60,198	(800,692)
(23,164)	3,253,600	36,907	156,161	992,007	23,125	5,060,421
<u>\$ (83,016)</u>	<u>\$ 2,614,763</u>	<u>\$ 14,011</u>	<u>\$ 161,366</u>	<u>\$ 1,000,266</u>	<u>\$ 83,323</u>	<u>\$ 4,259,729</u>

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## **Nonmajor Governmental Funds**

- **Permanent Funds**

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**CITY OF GRASS VALLEY**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**June 30, 2023**

	<b>Elizabeth Daniels Park</b>	<b>Animal Shelter</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 100,775	\$ 2,098	\$ 102,873
Receivables:			
Interest	253	5	258
<b>Total Assets</b>	<b>\$ 101,028</b>	<b>\$ 2,103</b>	<b>\$ 103,131</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	-	-	-
<b>FUND BALANCES</b>			
Restricted	101,028	2,103	103,131
<b>Total Fund Balances</b>	101,028	2,103	103,131
<b>Total Liabilities and Fund Balances</b>	<b>\$ 101,028</b>	<b>\$ 2,103</b>	<b>\$ 103,131</b>

**CITY OF GRASS VALLEY**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the Year Ended June 30, 2023**

	<b>Elizabeth Daniels Park</b>	<b>Animal Shelter</b>	<b>Totals</b>
<b>REVENUES</b>			
Use of money and property	\$ 569	\$ 55	\$ 624
<b>Total Revenues</b>	569	55	624
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
<b>Total Expenditures</b>	-	-	-
<b>Net Change in Fund Balances</b>	569	55	624
<b>Fund Balances - Beginning</b>	100,459	2,048	102,507
<b>Fund Balances - Ending</b>	\$ 101,028	\$ 2,103	\$ 103,131

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## **Fiduciary Funds**

- **Private Purpose Trust Funds**
- **Custodial Funds**

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**CITY OF GRASS VALLEY**  
**Combining Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

	<u>Private Purpose Trust Funds</u>		<u>Custodial Funds</u>		<u>Totals</u>
	<u>Successor Agency to the Redevelopment Agency of the City of Grass Valley</u>		<u>Whispering Pines Morgan Ranch Reserve 2001</u>	<u>Whispering Pines Morgan Ranch Redemption 2001</u>	
	<u>Projects</u>	<u>Housing</u>			
<b>ASSETS</b>					
Current Assets:					
Cash and investments	\$ 611,348	\$ 182,870	\$ -	\$ 3,421	\$ 797,639
Cash with fiscal agent	114	-	-	-	114
Receivables:					
Accounts	-	45,865	-	-	45,865
Interest	1,322	-	-	-	1,322
Due from other funds	-	-	-	30,899	30,899
Loans receivable	-	979,297	-	-	979,297
<b>Total Assets</b>	<u>612,784</u>	<u>1,208,032</u>	<u>-</u>	<u>34,320</u>	<u>1,855,136</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Salaries and benefits payable	1,408	-	-	-	1,408
Due to other funds	-	-	30,899	-	30,899
Loans payable	355,148	-	-	-	355,148
<b>Total Current Liabilities</b>	<u>356,556</u>	<u>-</u>	<u>30,899</u>	<u>-</u>	<u>387,455</u>
Noncurrent Liabilities:					
Loans payable	7,124,961	-	-	-	7,124,961
<b>Total Noncurrent Liabilities</b>	<u>7,124,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,124,961</u>
<b>Total Liabilities</b>	<u>7,481,517</u>	<u>-</u>	<u>30,899</u>	<u>-</u>	<u>7,512,416</u>
<b>NET POSITION</b>					
Restricted for:					
Successor Agency to the Redevelopment Agency	(6,868,733)	1,208,032	-	-	(5,660,701)
Individuals, organizations, and other governments	-	-	(30,899)	34,320	3,421
<b>Total Net Position</b>	<u>\$ (6,868,733)</u>	<u>\$ 1,208,032</u>	<u>\$ (30,899)</u>	<u>\$ 34,320</u>	<u>\$ (5,657,280)</u>

**CITY OF GRASS VALLEY**  
**Combining Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2023**

	<u>Private Purpose Trust Funds</u>		<u>Custodial Funds</u>		<u>Totals</u>
	<u>Successor Agency to the Redevelopment Agency of the City of Grass Valley</u>		<u>Whispering Pines Morgan Ranch Reserve 2001</u>	<u>Whispering Pines Morgan Ranch Redemption 2001</u>	
	<u>Projects</u>	<u>Housing</u>			
<b>ADDITIONS</b>					
Property taxes collected for other governments	\$ 723,269	\$ -	\$ -	\$ -	\$ 723,269
Interest and investment earnings	8,491	-	-	-	8,491
Other contributions	-	154,060	-	-	154,060
<b>Total Additions</b>	<u>731,760</u>	<u>154,060</u>	<u>-</u>	<u>-</u>	<u>885,820</u>
<b>DEDUCTIONS</b>					
Expenses of former redevelopment agency	97,631	-	-	-	97,631
Interest expense	363,609	-	-	-	363,609
Amortization	64,510	-	-	-	64,510
<b>Total Deductions</b>	<u>525,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>525,750</u>
<b>Net Increase (Decrease) in Fiduciary Net Position</b>	206,010	154,060	-	-	360,070
<b>Total Net Position - Beginning</b>	<u>(7,074,743)</u>	<u>1,053,972</u>	<u>(30,899)</u>	<u>34,320</u>	<u>(6,017,350)</u>
<b>Total Net Position - Ending</b>	<u>\$ (6,868,733)</u>	<u>\$ 1,208,032</u>	<u>\$ (30,899)</u>	<u>\$ 34,320</u>	<u>\$ (5,657,280)</u>