EL DORADO COUNTY
TRANSPORTATION COMMISSION

Audited Financial Statements
Supplementary Information and Compliance Report

June 30, 2023

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EL DORADO COUNTY TRANSPORTATION COMMISSION

Audited Financial Statements,
Supplementary Information and Compliance Report

June 30, 2023

Financial Section

Government-wide financial statements

Fund Financial Statements:

Required Supplementary Information

Supplementary Information

Compliance Report

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INDEPENDENT AUDITOR'S REPORT

El Dorado County Transportation Commission
Placerville, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund, of the El Dorado County Transportation Commission (the Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Commission, as of June 30, 2023, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission 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 Commission'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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying schedule of indirect and direct expenses is presented for purposes of additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2023, on our consideration of the Commission'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 Commission'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 Commission's internal control over financial reporting and compliance.

Richardson & Company, LLP

November 22, 2023

EL DORADO COUNTY TRANSPORTATION COMMISSION

Management's Discussion and Analysis
June 30, 2023

This section of the El Dorado County Transportation Commission's (EDCTC) annual financial report presents a narrative overview and analysis of EDCTC's financial performance during the fiscal year ending June 30, 2023. This discussion and analysis is intended to be used in conjunction with EDCTC's financial statements and notes to the financial statements which follow this section.

EDCTC's primary objective is to administer the regional transportation planning process and implement a programming and funding strategy to address the mobility needs of El Dorado County residents and visitors. The Overall Work Program and Budget (OWP) is the primary management tool that identifies the activities and annual schedule of work for regional transportation planning for the western slope of El Dorado County. Furthermore, the Regional Transportation Plan 2020-2040 and accompanying Environmental Impact Report serve as a guiding force for transportation improvements over the 20 year period. Additional elements of the Overall Work Program continued at anticipated work levels, including: Agency Administration and Intergovernmental Coordination; Multi-Modal Transportation Planning; Project Delivery and Programming; and Public Information and Outreach.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial statements consist of two parts: Management's Discussion and Analysis, as presented in this section, and the basic financial statements. The Discussion and Analysis is intended to serve as an introduction to EDCTC's basic financial statements. EDCTC's basic financial statements are comprised of two components: (1) financial statements and (2) notes to the financial statements.

FINANCIAL HIGHLIGHTS OF THE GENERAL FUND

- Total Assets $ 684,514
- Total Liabilities $ 252,876
- Total Fund Balance $ 431,638
- Total Revenue $ 1,195,672
- Total Transfers In $ 608,171
- Total Expenditures $ 1,724,579

REQUIRED FINANCIAL STATEMENTS

EDCTC financial statements are designed to provide readers with a broad overview of EDCTC's financial performance.

<u>Governmental Activities Financial Statements</u>
The Statement of Net Position found on page 12 summarizes all governmental activities

for EDCTC and the Special Revenue Funds. The Net Position Deficit is due to the long-term pension liability. These liabilities are planned to be funded with future funding sources that have not been identified. The detail for EDCTC (General Fund) and the Special Revenue Funds is on page 14. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. EDCTC has four Special Revenue funds:

1) Surface Transportation Block Grant Program (STBG) Exchange Funds programmed to the City of Placerville for the Clay Street/Cedar Ravine Intersection.
2) Local Transportation Fund (LTF) – One-quarter cent retail sales tax received monthly to be used to administer the Transportation Development Act, to provide transit services, pedestrian/bicycle facilities, and funding for streets and roads in El Dorado County.
3) State Transit Assistance (STA) Fund – Sales tax collected on diesel fuel received quarterly and allocated to El Dorado County Transit Authority.
4) State of Good Repair (SGR) Fund – A portion of the Transportation Improvement Fee included in SB1, the 2017 Road Repair and Accountability Act, allocated to transit operators for eligible transit maintenance, rehabilitation and capital projects.

The Statement of Revenues, Expenditures, and Changes in Fund Balances on page 16 reports information about EDCTC's activities.

Notes to the Financial Statements

The notes to the Financial Statements provide additional information that is essential to understand the data provided. These notes can be found on pages 19 through 39 of this report.

FINANCIAL ANALYSIS OF EDCTC

The Balance Sheet and Statement of Revenues, Expenses, and Changes in Fund Balances report information about EDCTC's financial activities and financial position. EDCTC's fund balance, which portrays the difference between assets and liabilities, is one way to measure financial performance. Changes to accounting and reporting methodology and requirements are impactful to the financial reporting found herein.

Balance Sheet – General Fund

The following table compares the Balance Sheet for the General Fund at June 30, 2023 and 2022:

	2023	2022	Increase/ (Decrease)
Assets			
Cash and investments	$ 236,739	$ 448,808	$ (212,069)
Due from other governments	229,740	240,964	(11,224)
Due from other funds	161,963	-	161,963
Prepaid expenses and other assets	3,915	3,915	-
Total Current Assets	$ 632,357	$ 693,687	$ (61,330)
Noncurrent Assets			
Restricted Cash	52,157	-	52,157
Total Noncurrent Assets	52,157	-	52,157
Total Assets	$ 684,514	$ 693,687	$ (9,173)
Liabilities			
Current Liabilities	$ 252,876	$ 341,313	$ (88,437)
Total Liabilities	252,876	341,313	(88,437)
Fund Balance			
Nonspendable	3,915	3,915	-
Unrestricted	427,723	348,459	79,264
Total Fund Balance	431,638	352,374	79,264
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 684,514	$ 693,687	$ (9,173)

Current Assets – Due from other funds increased $161,963 for the annual Surface Transportation Block Grant funds approved at the August Commission meeting after the end of the fiscal year. Cash and investments decreased by the amount of Due from other funds and the amount added to Restricted Cash which is a CalPERS California Employers Pension Prefunding Trust account held at CalPERS. This trust account was established for future pension costs including unfunded pension liabilities.

Current Liabilities – Current liabilities for the fiscal year ending June 30, 2023 decreased $88,437 due to a decrease in the unearned revenues balance.

Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund

Revenues			
State & Local Funds	$ 1,162,909	$ 1,106,093	$ 56,816
Interest Income/Other	32,763	41,038	(8,275)
Total Revenues	1,195,672	1,147,131	48,541
Expenditures			
Salaries and Benefits	877,607	739,564	138,043
Professional Services	712,468	723,161	(10,693)
Administrative Expenses	80,300	68,884	11,416
Capital outlay, Principal and Interest	54,204	359,254	(305,050)
Total Expenditures	$ 1,724,579	$ 1,890,863	$ (166,284)
(Deficiency) Excess of Revenues over Expenditures	(528,907)	(743,732)	214,825
Other Financing Sources			
Transfers in	$ 608,171	$ 493,601	$ 114,570
Proceeds from Lease	-	305,050	(305,050)
Total Other Financing Sources	608,171	798,651	(190,480)
Change in Fund Balance	79,264	54,919	24,345
Fund Balance, Beginning of Year	352,374	297,455	54,919
Fund Balance, End of Year	$ 431,638	$ 352,374	$ 79,264

Revenues – The State and Local Funds increased $56,816 due to the timing of the multi-year grant funded projects. Interest Income/Other decreased because the shared costs reimbursement of the advocacy contract was only for three quarters of FY 2022/23.

Expenditures – Salaries and benefits increased due to an additional payment towards the unfunded liability and a cost of living adjustment based on the Consumer Price Index and the Personnel Policy.

Capital outlay, principal and interest– Government Accounting Standards Board (GASB) Statement 87 is a new reporting requirement for governments' lease costs that was implemented in FY 2021/22, resulting in a large capital outlay amount to initially record the right-to-use lease asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. Principal payments are recorded over the term of the lease.

Transfers in – The Transfers in represents the Commission's Local Transportation Fund allocation for planning and administration.

SPECIAL REVENUE FUNDS

The Surface Transportation Block Grant Program (STBG) Fund Balance of $202,812 is programmed to the City of Placerville's Cedar Ravine Intersection project.

Refer to the separate financial statements for management's discussion and analysis on the LTF, STA and SGR Special Revenue Funds.

OVERALL WORK PROGRAM AND BUDGET

EDCTC considered many factors when developing the FY 2022/23 budget. Considerations included funding from federal and state grants, Rural Planning Assistance Funds (RPA), State Transportation Improvement Program, Planning, Programming, and Monitoring (PPM) Funds, and the Transportation Development Act (TDA) Local Transportation Fund (LTF) apportionment. EDCTC relies primarily on federal and state grants, local programs, RPA, PPM and LTF to fund its activities. LTF funds are derived from a portion of state sales tax dollars and are allocated to EDCTC to be utilized for planning and administrative services. RPA funds are allocated to the rural Regional Transportation Planning Agencies (RTPA) and may only be used for specific planning and administrative activities within the RTPA. PPM funds are State funds that must be used for planning, programming, and monitoring activities within two years of the allocation.

The overall work program includes work elements that are grant funded. Each year, EDCTC applies for grant funding through the State of California Department of Transportation. The FY 2022/23 OWP included four grant funded projects:

1) 50 Corridor System User Analysis, Investment Strategy and Access Control Action Plan – FY 2020/21 FHWA State Planning & Research Part I Strategic Partnerships Grant
2) State Route (SR) 49 American River Confluence Study – FY 2020/21 State Highway Account Grant
3) Greater Placerville Wildfire Evacuation Preparedness, Community Safety and Resiliency Plan - FY 2021/22 State Highway Account Grant
4) Greater Placerville Wildfire Evacuation Preparedness, Community Safety and Resiliency Plan Additional Public Outreach- FY 2022/23 State Highway Account Grant

BUDGET (FINAL, AS AMENDED) VERSUS ACTUAL

In May 2022, EDCTC adopted the FY 2022/23 Overall Work Program and Budget (OWP) with a budget for operating expenses of $1,834,056. EDCTC's OWP was revised during the year to reflect adjustments based on final prior fiscal year-end adjustments, additions of awarded grant funding, and revisions to the work plan. The final amendment to the FY 2022/23 OWP was adopted in February 2023. The budget comparison and analysis is presented below:

	2022/23 Final Budget	2022/23 Amend. 1	2022/23 Amend. 2	Difference between Final and Amend. 2
Operating Revenues				
TDA	$ 608,171	$ 608,171	$ 608,171	$ -
Other State and Federal	1,228,238	1,279,247	1,394,653	$ 166,415
Other Local Funds	1,500	1,500	1,500	0
Total Operating Revenues	$ 1,837,909	$ 1,888,918	$ 2,004,324	$ 166,415
Operating Expenses				
Salaries and Benefits	$ 887,099	$ 897,813	$ 955,559	$ 68,460
Professional Services	815,780	850,418	908,018	92,238
Administrative Expenses	131,177	140,687	148,636	17,459
Total Operating Expenses	$ 1,834,056	$ 1,888,918	$ 2,012,213	$ 178,157

The Other State and Federal revenues increased from the Final Budget to Amendment 2. The Final Budget includes estimated grant balances and Amendment 2 includes the approved carry over balances. Amendment 2 also includes new FY 2022/23 State Highway Account grant funding for the additional public outreach on the Greater Placerville Wildfire Evacuation Preparedness, Community Safety and Resiliency Plan.

Salaries and Benefits increased due to an increase in the retirement benefit expense. An additional unfunded liability payment was included in FY 2022/23.

Professional Services contract remaining balances were estimated in the final budget. The actual remaining balance was corrected in amendment 2 which increased professional services. A new consultant was hired to complete the additional public outreach for the Greater Placerville Wildfire Evacuation Preparedness, Community Safety and Resiliency Plan.

ECONOMIC CONDITIONS

For FY 2023/24, it is expected that the majority of federal, state, and local fund sources will remain constant. Contingency Fund Reserves, comprised of carryover funding, available to supplement the work program and maintain a reserve to fund unexpected future costs and/or unanticipated revenue shortfalls, will be programmed in FY 2023/24.

EDCTC will continue employing sound fiscal management, financial planning, investment management, budgeting, and internal financial controls. EDCTC considers these priorities to be an integral responsibility of the agency.

EL DORADO COUNTY TRANSPORTATION COMMISSION SCORECARD TRENDING

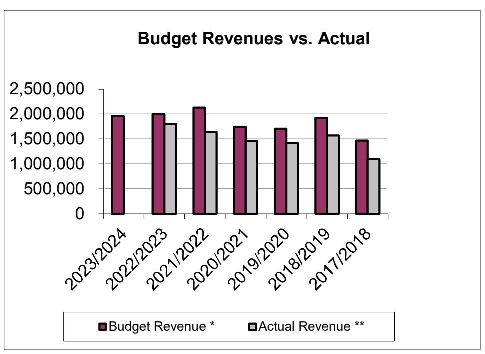
Refer to the attached scorecard trending report on page 11 which reflects the historical financial activity of the EDCTC for the actual FY 2017/2018 to budget FY 2023/2024.

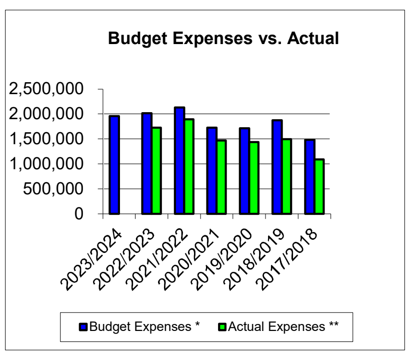
REQUEST FOR INFORMATION

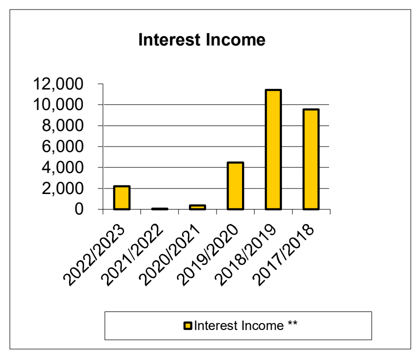
This financial report is designed to provide the reader with a general overview of EDCTC's finances and to demonstrate EDCTC's accountability for funds it receives. If you have questions about this report or need additional financial information, please contact the Fiscal Officer, El Dorado County Transportation Commission, 2828 Easy Street, Suite 1, Placerville, California 95667.

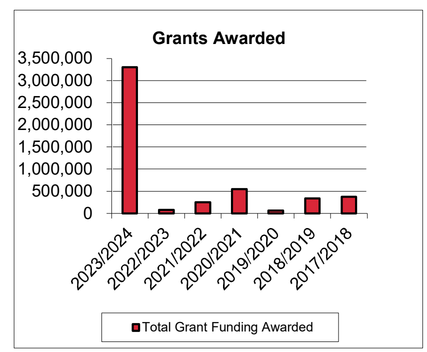
EL DORADO COUNTY TRANSPORTATION COMMISSION
SCORECARD TRENDING

** Per OWP*	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
*** Per Financial Statements*	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
Does not include amounts for Contingency							
Budget Revenue *	1,957,093	2,004,324	2,130,854	1,743,608	1,708,365	1,924,065	1,470,480
Actual Revenue **	0	1,803,843	1,640,732	1,463,052	1,421,244	1,571,979	1,099,273
Budget vs. Actual Revenue		**(200,481)**	**(490,122)**	**(280,556)**	**(287,121)**	**(352,086)**	**(371,207)**
% Revenue vs. Budget		**-10.0%**	**-23.0%**	**-16.1%**	**-16.8%**	**-18.3%**	**-25.2%**
Budget Expenses *	1,957,093	2,012,213	2,130,854	1,728,604	1,713,990	1,875,258	1,484,567
Actual Expenses **	0	1,724,579	1,890,863	1,470,131	1,434,684	1,492,829	1,091,239
Budget vs. Actual Expenses		**(287,634)**	**(239,991)**	**(258,473)**	**(279,306)**	**(382,429)**	**(393,328)**
% Expenses vs. Budget		**-14.3%**	**-11.3%**	**-15.0%**	**-16.3%**	**-20.4%**	**-26.5%**
Current Year Assets **	0	684,514	693,687	666,311	762,059	829,016	746,226
Prior Year Assets **	0	693,687	666,311	762,059	829,016	746,226	0
Assets Gain/Losses	**0**	**(9,173)**	**27,376**	**(95,748)**	**(66,957)**	**82,790**	**746,226**
% Change in Assets	**0.0%**	**-1.3%**	**3.9%**	**-14.4%**	**-8.8%**	**10.0%**	**100.0%**
Current Year Liabilities **	0	252,876	341,313	368,856	457,525	511,042	507,402
Prior Year Liabilities **	0	341,313	368,856	457,525	511,042	507,402	0
Liabilities Gain/Losses	**0**	**(88,437)**	**(27,543)**	**(88,669)**	**(53,517)**	**3,640**	**507,402**
% Change in Liabilities	**0.0%**	**-35.0%**	**-8.1%**	**-24.0%**	**-11.7%**	**0.7%**	**100.0%**
Interest Income **	0	2,218	71	370	4,459	11,411	9,551
Total Investments/Interest	**0**	**2,218**	**71**	**370**	**4,459**	**11,411**	**9,551**
Grants Awarded:							
Local Transportation Climate Adaptation Program	3,000,000	0	0	0	0	0	0
SB1 - Road Maint/Rehab Acct (RMRA)	0	0	0	180,000	0	0	0
FHWA/FTA 5304	217,124	0	0	0	0	150,000	100,000
FHWA State Planning & Research	0	0	0	185,040	0	144,000	0
Partnership Planning	0	0	0	0	0	0	0
Sustainable Communities	0	0	0	0	0	0	0
SB1 - Sustainable Communities	0	0	0	0	0	0	230,003
State Highway Account (SHA)	0	75,000	250,000	175,000	30,000	0	0
Active Transportation Program	0	0	0	0	0	0	0
Rural Planning Assistance Grants	85,000	0	0	10,000	32,000	45,000	43,645
Total Grant Funding Awarded	**3,302,124**	**75,000**	**250,000**	**550,040**	**62,000**	**339,000**	**373,648**









EL DORADO COUNTY TRANSPORTATION COMMISSION

STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities
ASSETS	
Current Assets:	
Cash and investments	$ 236,739
Due from other governments	2,124,820
Prepaid expenses and other assets	3,915
Total Current Assets	2,365,474
Noncurrent Assets:	
Restricted cash and investments	5,653,770
Capital assets being depreciated/amortized, net	219,568
Net other postemployment benefits asset	5,201
Total Noncurrent Assets	5,878,539
TOTAL ASSETS	8,244,013
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	361,773
Other postemployment benefits plan	23,663
TOTAL DEFERRED OUTFLOWS OF RESOURCES	385,436
LIABILITIES	
Current Liabilities:	
Accounts payable	69,769
Due to other government agencies	100,000
Accrued payroll taxes and benefits	12,035
Unearned revenues	153,185
Contract retentions payable	17,887
Allocations payable to other governments	2,063,575
Compensated absences, due within one year	107,933
Lease liability, due within one year	40,282
Total Current Liabilities	2,564,666
Noncurrent Liabilities:	
Compensated absences, due in more than one year	71,955
Lease liability, due in more than one year	192,431
Net pension liability, due in more than one year	559,540
Total Noncurrent Liabilities	823,926
TOTAL LIABILITIES	3,388,592
DEFERRED INFLOWS OF RESOURCES	
Pension plan	40,640
Other postemployment benefits plan	23,850
TOTAL DEFERRED INFLOWS OF RESOURCES	64,490
NET POSITION	
Restricted	5,171,155
Unrestricted	5,212
TOTAL NET POSITION	$ 5,176,367

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

EL DORADO COUNTY TRANSPORTATION COMMISSION

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

		Governmental Activities
PROGRAM EXPENSES		
Planning and administration		$ 1,837,889
Transportation claimants		9,903,680
	TOTAL PROGRAM EXPENSES	11,741,569
PROGRAM REVENUES		
Operating grants and contributions		2,295,593
	NET PROGRAM EXPENSE	(9,445,976)
GENERAL REVENUES		
State shared revenue - sales tax		9,731,990
Interest income		71,684
Other revenues		30,545
	TOTAL GENERAL REVENUES	9,834,219
	CHANGE IN NET POSITION	388,243
Net position, beginning of year		4,788,124
	NET POSITION, END OF YEAR	$ 5,176,367

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

EL DORADO COUNTY TRANSPORTATION COMMISSION

BALANCE SHEETS - GOVERNMENTAL FUNDS

June 30, 2023

	General Fund	Major Special Revenue Funds				
	Planning and Administration	Surface Transportation Block Grant Program Fund	Local Transportation Fund	State Transit Assistance Fund	State of Good Repair Fund	Total Governmental Funds
ASSETS						
Current Assets:						
Cash and investments	$ 236,739					$ 236,739
Due from other governments	229,740		$ 1,212,447	$ 633,731	$ 48,902	2,124,820
Due from other funds	161,963					161,963
Prepaid costs and other assets	3,915					3,915
Total Current Assets	632,357		1,212,447	633,731	48,902	2,527,437
Noncurrent Assets:						
Restricted cash and investments	52,157	$ 1,335,496	4,025,896	346	239,875	5,653,770
Total Noncurrent Assets	52,157	1,335,496	4,025,896	346	239,875	5,653,770
TOTAL ASSETS	$ 684,514	$ 1,335,496	$ 5,238,343	$ 634,077	$ 288,777	$ 8,181,207
LIABILITIES						
Current Liabilities:						
Accounts payable	$ 69,769					$ 69,769
Accrued payroll taxes and benefits	12,035					12,035
Unearned revenues	153,185					153,185
Contract retentions payable	17,887					17,887
Allocations payable to other governments		$ 970,721	$ 270,000	$ 634,077	$ 288,777	2,163,575
Due to other funds		161,963				161,963
TOTAL CURRENT LIABILITIES	252,876	1,132,684	270,000	634,077	288,777	2,578,414
FUND BALANCE						
Nonspendable	3,915					3,915
Restricted for:						
Pedestrian and bikeway projects			387,539			387,539
Transportation projects		202,812	3,830,804			4,033,616
Contingencies			750,000			750,000
Unrestricted	427,723					427,723
TOTAL FUND BALANCE	431,638	202,812	4,968,343			5,602,793
TOTAL LIABILITIES AND FUND BALANCE	$ 684,514	$ 1,335,496	$ 5,238,343	$ 634,077	$ 288,777	$ 8,181,207

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

EL DORADO COUNTY TRANSPORTATION COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2023

Fund balance - governmental funds, June 30, 2023	$ 5,602,793
Amounts reported for governmental activities in the statement of net position are different from those reported in the governmental funds above because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,675
Lease liability, and related right of use asset, is not due and payable in the current period and therefore are not reported in the fund statements.	
Right of use asset	217,893
Lease liability	(232,713)
Pension and OPEB contributions subsequent to the valuation measurement date and other items will reduce the pension and OPEB liability in the future and are reported as deferred outflows of resources on the statement of net position.	
Pension plan	361,773
OPEB plan	23,663
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Compensated absences	(179,888)
Net pension liability	(559,540)
Net other postemployment benefits liability	5,201
Employee pension and OPEB differences to be recognized in the future as pension and OPEB expense are reported as deferred inflows of resources on the statement of net position.	
Pension plan	(40,640)
OPEB plan	(23,850)
Net position - governmental activities, June 30, 2023	$ 5,176,367

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

EL DORADO COUNTY TRANSPORTATION COMMISSION

STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

	General Fund	Major Special Revenue Funds				
	Planning and Administration	Surface Transportation Block Grant Program Fund	Local Transportation Fund	State Transit Assistance Fund	State of Good Repair Fund	Total Governmental Funds
REVENUES:						
Sales taxes			$ 7,005,228	$ 2,440,813	$ 285,949	$ 9,731,990
State subvention allocation	$ 337,000					337,000
State transportation improvement program	78,000					78,000
Freeway Service Patrol Income	181,264					181,264
Surface Transportation Block Grant Allocation	301,095					301,095
Other intergovernmental revenues	265,550					265,550
Interest income	2,218		65,586	1,052	2,828	71,684
Other	30,545					30,545
Surface Transportation Block Grant Program		$ 1,132,684				1,132,684
TOTAL REVENUES	1,195,672	1,132,684	7,070,814	2,441,865	288,777	12,129,812
EXPENDITURES:						
Salaries and benefits	877,607					877,607
Professional services	555,725					555,725
Rents, leases and building maintenance	14,827					14,827
Freeway Service Patrol	156,743					156,743
Office and other operating	26,477					26,477
Memberships and publication	6,536					6,536
Local mileage and travel	3,650					3,650
Staff development	5,487					5,487
Communications	13,381					13,381
Insurance	8,590					8,590
Transportation services			6,030,354	2,441,865	288,777	8,760,996
Road maintenance		1,132,684				1,132,684
Planning and administration			10,000			10,000
Capital outlay	1,352					1,352
Debt service						
Principal	36,515					36,515
Interest and other charges	17,689					17,689
TOTAL EXPENDITURES	1,724,579	1,132,684	6,040,354	2,441,865	288,777	11,572,703
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(528,907)		1,030,460			557,109
OTHER FINANCING SOURCES (USES)						
Transfers in	608,171					608,171
Transfers out			(608,171)			(608,171)
TOTAL OTHER FINANCING SOURCES (USES)	608,171		(608,171)			
NET CHANGE IN FUND BALANCE	79,264		422,289			501,553
Fund balance, beginning of year	352,374	202,812	4,546,054			5,101,240
FUND BALANCE, END OF YEAR	$ 431,638	$ 202,812	$ 4,968,343	$ -	$ -	$ 5,602,793

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

EL DORADO COUNTY TRANSPORTATION COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Net change in fund balance - governmental funds	$ 501,553
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 as depreciation expense.	
Depreciation expense	(3,114)
Capital outlay	1,352
Lease payments reduce long-term liabilities in the statement of net position. Right of use asset is recorded in the statement of activities and is allocated over the life of the lease as amortization expense.	
Amortization - right of use asset	(43,578)
Principal payments on lease liability	36,515
Changes in certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences liability	(28,414)
Change in net pension liability and related deferred inflows and outflows	(78,131)
Change in net other postemployment benefits liability and related deferred inflows and outflows	2,060
Change in net position - governmental activities	$ 388,243

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

EL DORADO COUNTY TRANSPORTATION COMMISSION

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

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance With Final
	Original	Final	Amounts	Budget
REVENUES:				
State subvention allocation	$ 337,000	$ 337,000	$ 337,000	$ -
State transportation improvement program	78,000	78,000	78,000	
Freeway Service Patrol Income	179,129	190,640	181,264	(9,376)
Surface Transportation Block Grant Allocation	183,850	301,149	301,095	(54)
Other intergovernmental revenues	450,259	487,863	265,550	(222,313)
Interest income			2,218	2,218
Other	1,500	1,500	30,545	29,045
TOTAL REVENUES	1,229,738	1,396,152	1,195,672	(200,480)
EXPENDITURES:				
Salaries and benefits	887,099	955,559	877,607	77,952
Professional services	659,780	742,018	555,725	186,293
Freeway Service Patrol	156,000	166,000	156,743	9,257
Leases and building maintenance	67,687	67,987	14,827	53,160
Office and other operating	23,815	33,119	26,477	6,642
Memberships and publication	8,120	7,800	6,536	1,264
Local mileage and travel (staff and Commissioners)	3,070	10,520	3,650	6,870
Staff development	7,400	7,700	5,487	2,213
Communications	13,135	13,560	13,381	179
Insurance	7,950	7,950	8,590	(640)
Capital outlay			1,352	(1,352)
Debt Service:				
Principal			36,515	(36,515)
Interest and other charges			17,689	(17,689)
TOTAL EXPENDITURES	1,834,056	2,012,213	1,724,579	287,634
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(604,318)	(616,061)	(528,907)	87,154
OTHER FINANCING SOURCES				
Transfers in	608,171	608,171	608,171	
Proceeds from leased assets				
TOTAL OTHER FINANCING SOURCES	608,171	608,171	608,171	
NET CHANGE IN FUND BALANCE	3,853	(7,890)	79,264	87,154
Fund balance, beginning of year	352,374	352,374	352,374	
FUND BALANCE, END OF YEAR	$ 356,227	$ 344,484	$ 431,638	$ 87,154

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the El Dorado County Transportation Commission (Commission) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below.

Description of Reporting Entity: The Commission was created pursuant to Section 29532(b) of the Government Code as a local transportation commission for the western slope of El Dorado County, excluding the portion of the County within the Tahoe Regional Planning Agency boundaries, on July 23, 1975. A Joint Exercise of Powers Agreement was signed between El Dorado County and the City of Placerville whereby the Commission would operate as a Joint Powers Agency pursuant to Section 6500 of the California Government Code and would be administratively separated from the County. The Commission's operations were separated from El Dorado County on January 1, 1994. The Commission's responsibilities include establishing rules and regulations to provide for administering transportation planning and allocating the Local Transportation Fund, State Transit Assistance Fund and State of Good Repair Fund in accordance with the applicable sections of the Government Code, Public Utilities Code and Administrative Code included within the Transportation Development Act. The Commission is also responsible for administering the regional transportation planning process, updating the Regional Transportation Plan and the Regional Transportation Improvement Program, working with the Sacramento Area Council of Governments to determine air quality conformity of transportation plans, programs and projects, administering the Freeway Service Patrol program and administering the Airport Land Use Commission of El Dorado County (the ALUC).

The Commission is composed of nine members: four appointed by the El Dorado County Board of Supervisors, three appointed by the City Council of Placerville, and two non-voting ex-officio members, one from the City of South Lake Tahoe and one from Caltrans.

The Commission has one blended component unit, the ALUC. The ALUC provides technical and advisory support on airport land use planning issues for the existing local County of El Dorado airport facilities. The ALUC is reported on a blended basis due to the governing body of the Commission serving as the governing body of the ALUC and the Commission being able to impose its will on the ALUC. The ALUC had no significant activity during the year ended June 30, 2023.

Basis of Presentation - Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

recognized when all eligibility requirements have been met. Cost reimbursement grant revenues are recognized when program expenses are incurred in accordance with program guidelines. When nonexchange revenues are received before eligibility requirements are met, they are reported as unearned revenue until earned. Sales tax revenue is recorded as revenue when the appropriation becomes effective which is in the same fiscal year as the sales taxes are collected by the State of California.

Basis of Presentation – Fund Financial Statements: The accounts of the Commission are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Major individual governmental funds are reported as separate columns in the fund financial statements. The Commission considers all of its Special Revenue Funds to be major funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers grant revenues to be available if they are collected within 180 days of the end of the current fiscal period. All other revenues are considered to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual basis accounting, except for compensated absences and termination benefits, which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

The Commission reports the following major governmental funds:

General Fund – The General Fund (Planning and Administration) is the general operating fund of the Commission and accounts for revenues collected to provide services and finance the fundamental operations of the Commission. The fund is charged with all costs of operations not reported in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. In its capacity as a Regional Transportation Planning Agency, the Commission is responsible for the administration of several special revenue funds which provide funding for transportation planning, transit operations, pedestrian and bicycle facilities and street and roads maintenance and improvements. The following Special Revenue Funds are considered to be major funds:

Surface Transportation Block Grant Program Fund: The Surface Transportation Block Grant Program Fund represents an apportionment under the Federal Transportation Bill whereby the Commission allocates funds to agencies for projects included in the adopted Federal Statewide Transportation Improvement Program.

Local Transportation Fund: The Local Transportation Fund represents revenues generated from a ¼ cent sales tax imposed by the State of California pursuant to the Transportation Development Act. Agencies file claims with the Commission for the monies and allocations are made for planning, transit, pedestrian, bicycle, streets and roads purposes. The Commission reviews the claims, determines the agency’s eligibility to receive funds, and, upon approval, allocates the funds to the agencies.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

State Transit Assistance Fund: The State Transit Assistance (STA) Fund represents revenues earned based on a portion of the State gasoline tax. Agencies file claims with the Commission for the monies and allocations are made solely for transit related projects.

State of Good Repair Fund: The State of Good Repair (SGR) Fund represents revenue generated from a portion of the new Transportation Improvement Fee on vehicle registrations created by Senate Bill 1, the Road Repair and Accountability Act of 2017. The fee is provided by the Commission to eligible agencies under the SGR Program. SGR fees are available for capital assistance to rehabilitate and modernize existing local transportation systems, including the purchase of new vehicles and the maintenance and rehabilitation of transit facilities and vehicles.

Restricted Cash and Investments: The amount reported as restricted cash and investments consist of balances held in special revenue funds for specific transportation projects and funds deposited into a Section 115 plan trust.

Due from Other Governments: Due from other governments consists mainly of amounts due from state and federal agencies under grant agreements and other revenue sources. Management believes these amounts to be fully collectible and, accordingly, no allowance for doubtful accounts is required.

Capital Assets: Capital assets for governmental fund types of the Commission are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Capital assets are defined as assets with an initial cost of $1,000 or more and an estimated useful life in excess of one year. Provision is made for depreciation by the straight-line method over the estimated useful lives of these individual assets, which range from three to ten years for office furniture and equipment and fifteen years for leasehold improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Right-to-use lease assets are recognized at the lease commencement date and represent the Commission's right to use an underlying asset for the lease term. Right-to-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right-to-use assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

Unearned Revenues: Unearned revenues arise when resources are received before the Commission has legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenses). Unearned revenues at June 30, 2023 in the General Fund mainly consisted of State Transportation Improvement Program (STIP) revenue and Surface Transportation Block Grant Program revenue received prior to the incurrence of qualifying expenses.

Compensated Absences: The Commission's personnel policy allows employees to accumulate earned but unused vacation and sick leave, which will be paid to employees upon separation from the Commission's service, subject to a vesting policy that ranges from 20% after five years of service up to 100% after 20 years of service and a maximum of 500 hours.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The cost of vacation and sick leave is recognized in the period earned by the employee in the government-wide statements. Amounts that are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations or retirements that are currently payable, are reported as expenditures and liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources represent a reconciling item between the fund and government-wide statements. No expenditure is reported in the governmental fund financial statements for these amounts.

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

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Lease Liability: Lease liabilities represent the Commission's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the Commission.

Fund Balance: In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which include prepaid costs.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The purpose of each restriction is listed on the face of the balance sheet.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is by resolution of the Commission. These amounts cannot be used for any other purpose unless the governing body modifies or removes the fund commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned Funds – Unassigned fund balance is the residual classification of the Commission's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

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

Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

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

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commission has provided otherwise in its commitment or assignment actions.

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

Internal Balances: Interfund transfers are used to move revenues from a fund that is required by statue to receive them to a fund that statue or budget requires to expend them. During the fiscal year, the Local Transportation Fund transferred $608,171 to the Planning and Administration Fund as part of the annual allocation of local transportation funds to support transit planning and Transportation Development Act administration.

Amounts due to the Planning and Administration Fund from the Surface Transportation Block Grant Program (STBGP) Fund for $161,963 represents the Commission's allocation of STBGP funds not yet transferred as of June 30, 2023.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information: The Commissioners approve all budgeted revenues and expenditures for the General Fund. The Commission does not legally adopt annual budgets for the Surface Transportation Block Grant Program Fund, Local Transportation Fund, State Transit Assistance and State of Good Repair Special Revenue Funds. Budgeted revenues and expenditures represent the original budget, as approved by the Commissioners, and the final budget, which includes modifications of the original budget through amendments approved by either the Executive Director or the Commissioners during the year. Amendments which alter total expenditures within the General Fund require approval of the Commissioners.

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

The Commission is currently analyzing the impact of the required implementation of this new statement.

NOTE B – CASH AND INVESTMENTS

At June 30, 2023, the Commission's pooled cash and investments are classified in the accompanying financial statements as follows:

Governmental Activities	
Cash and investments	$ 236,739
Restricted cash and investments	5,653,770
Total cash and investments	$ 5,890,509

The Commission's cash and investments as of June 30, 2023 are as follows:

Bank deposits	$ 1,572,235
County cash and investments pool	4,266,117
Investments held by pension trust CEPPT	52,157
Total cash and investments	$ 5,890,509

NOTE B – CASH AND INVESTMENTS (Continued)

Investment Policy: California statutes, and the Joint Exercise of Powers Agreement establishing the Commission discussed in Note A, authorize governmental agencies to invest surplus funds in a variety of credit instruments as provided in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The Commission's investment policy further limits its investments to bank deposits, including certificates of deposit, and investments in the Local Agency Investment Fund (LAIF).

Investment in the County of El Dorado Cash and Investments Pool: A portion of the Commission's Special Revenue Funds cash and investments is invested in the County of El Dorado (the County) cash and investments pool, which is managed by the County Treasurer. On a monthly basis, the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding categorization of investments and other deposit and investment risks applicable to the County's cash and investments pool may be found in the County's Annual Comprehensive Financial Report (ACFR). The County's ACFR may be obtained by contacting the County of El Dorado Auditor-Controller's Office at 360 Fair Lane, Placerville, CA.

The County's Treasury Oversight Committee oversees the Treasurer's investments and policies. The value of the pool shares in the County's cash and investments pool that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Commission's position in the pool. Investments held in the County's cash and investments pool are available on demand, and without restrictions, and are stated at amortized cost, which approximates fair value.

Investments in Pension Trust: The Commission established a Section 115 trust account with CalPERS entitled California Employer's Pension Prefunding Trust (CEPPT) to hold assets that are legally restricted for use in administering the District's pension plan. Trust account holders can select from two strategy options for investments. The District has invested in both the asset allocation Strategy 1 and 2 portfolios. Both portfolios seek to provide capital appreciation and income, but the Strategy 1 portfolio has a higher allocation to equities than bond.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2023, the weighted average maturity of the investment in the County's cash and investments pool was approximately 689 days.

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

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of a failure of the counter party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least

NOTE B – CASH AND INVESTMENTS (Continued)

110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of governmental investment pools (such as the County's cash and investments pool).

At June 30, 2023, the carrying amount of the Commission's deposits was $1,572,235 and the balance in financial institutions was $1,572,234. Of the balance in financial institutions, $250,000 was covered by federal depository insurance and $1,322,234 was covered by the pledging financial institution with assets held in a common pool for the Commission and other governmental agencies, but not in the name of the Commission.

NOTE C – CAPITAL ASSETS

Capital asset activity consisted of the following for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
Capital assets, being depreciated:				
Leasehold improvements	$ 46,815			$ 46,815
Office furniture and equipment	51,626	$ 1,352	$ (1,646)	51,332
Total capital assets, being depreciated	98,441	1,352	(1,646)	98,147
Intangible Right-to-Use assets:				
Leased building	305,050			305,050
Total capital assets, being depreciated/amort	403,491	1,352	(1,646)	403,197
Accumulated depreciation:				
Leasehold improvements	(46,815)			(46,815)
Office furniture and equipment	(48,189)	(3,114)	1,646	(49,657)
Total accumulated depreciation	(95,004)	(3,114)	1,646	(96,472)
Accumulated amortization:				
Leased building	(43,579)	(43,579)		(87,158)
Total depreciation/amortization	(138,583)	(46,693)	1,646	(183,630)
Governmental activities capital assets, net	$ 264,908	$ (45,341)	$ -	$ 219,567

Depreciation and amortization expense was $46,693 during the year ended June 30, 2023, and was allocated entirely to planning and administration.

NOTE D – LONG-TERM LIABILITIES

Long-term liability activity consisted of the following for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
Compensated absences	$ 151,474	$ 133,071	$ (104,657)	$ 179,888	$ 107,933
Lease liability	269,228		(36,515)	232,713	40,282
Net pension liability	153,852	405,688		559,540	
	$ 574,554	$ 538,759	$ (141,172)	$ 972,141	$ 148,215

NOTE E – LEASE LIABILITY

The Commission leases its administrative facility under a 2006 lease that has been extended through June 30, 2023 and contains the option to renew through June 30, 2028 at 2% increases in rent. For the purposes of discounting future payments on the lease, the Commission used a discount rate of 7%, which represents the Commission's estimated incremental borrowing rate. The total amount of lease assets for the year ended June 30, 2023 was $305,050, and related accumulated amortization was $87,157. The intangible right of use asset is being amortized over 7 years, the remaining term of the lease, including option periods. Amortization expense was $43,579 and interest expense was $17,689 during the year ended June 30, 2023. Minimum lease payments over the remaining term of the lease include:

Fiscal year ending June 30,	Principal	Interest
2024	$ 40,282	$ 15,014
2025	43,194	12,102
2026	46,317	8,979
2027	49,665	5,631
2028	53,255	2,041
	$ 232,713	$ 43,767

NOTE F – PENSION PLAN

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

- Miscellaneous Rate Plan
- PEPRA Miscellaneous Rate Plan

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

NOTE F – 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 (52 for PEPRA Miscellaneous Rate Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the 1959 Survivor Benefit level 4, 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.

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

	Miscellaneous	PEPRA Miscellaneous
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.43% to 2.42%	1.0% to 2.5%
Required employee contribution rate	7.00%	6.75%
Required employer contribution rate	10.87%	7.47%

In addition to the contribution rates above, the Commission was also required to make a payment of $37,702 toward its unfunded actuarial liability during the year ended June 30, 2023. The Commission has one employee in the PEPRA Miscellaneous Rate Plan at June 30, 2023.

The Miscellaneous Rate Plan is closed to new members that are not already CalPERS participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions 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 Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The contributions for the Plan were $119,954 for the year ended June 30, 2023.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2023, the Commission reported a net pension liability for its proportionate share of the net pension liability of $559,540.

The Commission's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability as of June 30, 2023 is measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30,

NOTE F – PENSION PLAN (Continued)

2021 rolled forward to June 30, 2022 using standard update procedures. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

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

	Miscellaneous
Proportion - June 30, 2023	0.01196%
Proportion - June 30, 2022	0.00810%
Change - Increase (Decrease)	0.00386%

For the year ended June 30, 2023, the Commission recognized pension expense of $198,086 for the Plan. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 119,954	
Differences between actual and expected experience	11,237	$ (7,526)
Changes in assumptions	57,337	
Differences between the employer's contribution and the employer's proportionate share of contributions		(33,114)
Change in employer's proportion	70,752	
Net differences between projected and actual earnings on plan investments	102,493	
Total	$ 361,773	$ (40,640)

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date above will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2024	$ 60,705
2025	50,619
2026	27,167
2027	62,688
	$ 201,179

NOTE F – PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liability in the actuarial valuation for the Plan 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 (1)	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by age and service
Mortality	Derived using CalPERS Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

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

Discount Rate: The discount rate used to measure the total pension liability was 6.90%, which is a decrease from the 7.15% used in 2022. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

NOTE F – PENSION PLAN (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)
Global Equity - cap-weighted	30.00%	4.45%
Global Equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.3% used for this period.

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

	Miscellaneous
1% Decrease	5.90%
Net Pension Liability	$ 961,591
Current Discount Rate	6.90%
Net Pension Liability	$ 559,540
1% Increase	7.90%
Net Pension Liability	$ 228,752

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

NOTE G – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description: The Commission provides an agent-multiple employer defined benefit postemployment healthcare benefits plan (the Plan). Benefit provisions are established and may be amended by the Commission. Healthcare benefits are provided to eligible retirees and their dependents through the California Public Employees' Retirement System healthcare program (PEMHCA). The Plan is administered by CalPERS through the California Public Employers' Retiree Benefit Trust (CERBT) Fund. The CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 to administer retiree healthcare benefits and collectively invest plan assets of all trust members.

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

CERBT issues financial statements that may be obtained from the CalPERS website at www.calpers.ca.gov. The Commission's Plan does not issue publicly available financial statements.

Benefits Provided: The Commission provides a retiree medical contribution for employees who retire within 120 days of separation from the Commission under CalPERS at 55 years of age and after 5 years of service. The Commission's contribution is capped at the CalPERS Minimum Employer Contribution, which was $1,812 for fiscal year 2023. Retirees may enroll in Commission sponsored medical plans and may cover dependents. The benefit continues to surviving spouses and dependents. No other benefits are offered.

Employees Covered by Benefit Terms: At June 30, 2023, the benefit terms covered the following employees:

Inactive employees or beneficiaries currently receiving benefit payments:	1
Inactive employees entitled to but not yet receiving benefit payment:	2
Active employees	5
Total	8

Contributions: The Commission's contributions to the plan are actuarially determined. Employees pay the difference between the benefit they receive and the monthly premium. During the year ended June 30, 2023, the Commission's benefit payments were $6,179 and the implied subsidy was $9,868.

Net OPEB Liability: The Commission's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions: The total OPEB liability at June 30, 2023 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Payroll growth	2.75% per year
Investment rate of return	6.75%
Discount rate	6.75%
Pre-retirement turnover	Derived using CalPERS membership data
Healthcare trend rate	2.75%
Mortality rate	Derived using CalPERS membership data

The mortality assumptions are based on the 2021 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. The healthcare trend rates above are a change in assumptions from 6.0% trending down to 4.04% used at the June 30, 2022 measurement date. The discount rate was also changed from 7.82% to 6.75%.

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

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

return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global equity	59.0%	7.55%
Fixed income	25.0%	4.25%
Treasury inflation protection securities	5.0%	3.00%
Commodities	3.0%	7.55%
Real estate investment trusts	8.0%	7.25%
Total	100.0%	

Discount Rate: The discount rate used to measure the total OPEB liability was 6.75% at June 30, 2023. This is a change from the 7.82% rate used at June 30, 2022. This rate is the expected long-term rate of return on Commission assets using investment strategy 1 within the CERBT. The projection of cash flows used to determine the discount rate assumed that the Commission's contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

Changes in the Net OPEB Liability/(Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022	$ 127,850	$ 116,904	$ 10,946
Changes for the year:			
Service cost	11,616		11,616
Interest	10,210		10,210
Net investment income		7,171	(7,171)
Changes in assumptions	11,371		11,371
Contributions			
Employer - Commission's contribution		11,468	(11,468)
Investment Gains/(Losses)		553	(553)
Benefit payments, including refunds of employee contributions		6,179	(6,179)
Expected benefit payments from employer	(6,179)	(6,179)	
Experience (Gains)/Losses	(24,075)		(24,075)
Administrative expenses		(102)	102
Net changes	2,943	19,090	(16,147)
Balance at June 30, 2023	$ 130,793	$ 135,994	$ (5,201)

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The net OPEB liability (asset) of the Commission, as well as what the Commission's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher follows:

	1% Decrease	Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net OPEB liability (asset)	$ 11,280	$ (5,201)	$ (19,256)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The net OPEB liability (asset) of the Commission, as well as what the Commission's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates follows:

	1% Decrease	Trend Rates	1% Increase
	1.75%	2.75%	3.75%
Net OPEB liability (asset)	$ (23,752)	$ (5,201)	$ 17,133

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2023, the Commission recognized OPEB expense of $15,589. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 2,686	$ (21,828)
Changes in assumptions	13,312	(2,022)
Net differences between projected and actual earnings on plan investments	7,665	
Total	$ 23,663	$ (23,850)

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

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 ending June 30,	
2024	$ 1,585
2025	699
2026	4,002
2027	(2,124)
2028	(1,671)
Thereafter	(2,678)
	$ (187)

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. All other amounts are recognized over the expected average remaining service lifetime (EARSL), which was 7.6 years at June 30, 2023.

NOTE H – INTERFUND TRANSFERS

Interfund transfers are used to move revenues from a fund that is required by statue to receive them to a fund that statue or budget requires to expend them. During the fiscal year, the Local Transportation Fund transferred $608,171 to the Planning Administration Fund as part of the annual allocation of local transportation funds to support transportation planning and Transportation Development Act administration.

NOTE I – CONTINGENCIES

Grant Contingency: The Commission receives grant funding for specific purposes that are subject to review and audit by the granting agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

Concentration: The Commission receives a significant amount of its General Fund revenues from LTF and state subvention funds. A loss of these revenue sources would have a significant impact on the Commission's activities.

NOTE J – RISK FINANCING

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

REQUIRED SUPPLEMENTARY INFORMATION

EL DORADO COUNTY TRANSPORTATION COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)
Last Ten Fiscal Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.01196%	0.01074%	0.01074%	0.01018%	0.00972%	0.00976%	0.00925%	0.00912%	0.01026%
Proportionate share of the net pension liability	$ 559,540	$ 153,852	$ 452,953	$ 407,671	$ 366,155	$ 384,784	$ 321,218	$ 250,082	$ 253,597
Covered payroll - measurement period	$ 505,635	$ 504,064	$ 498,274	$ 496,150	$ 457,543	$ 511,113	$ 559,191	$ 515,549	$ 502,039
Proportionate share of the net pension liability as a percentage of covered payroll	110.66%	30.52%	90.90%	82.17%	80.03%	75.28%	57.44%	48.51%	50.51%
Plan fiduciary net position as a percentage of the total pension liability	81.03%	94.09%	81.24%	81.48%	81.58%	78.49%	78.11%	78.40%	79.82%
Notes to Schedule:									
Reporting valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014 as they have minimal cost impact.

Changes in assumptions: The discount rate was changed from 7.50% in 2015, to 7.65% in 2016 and 2017, and 7.15% in the 2018 valuations.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

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

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	$ 99,954	$ 84,873	$ 89,267	$ 81,444	$ 72,053	$ 61,314	$ 62,891	$ 63,092	$ 68,475
Contributions in relation to the actuarially determined contributions	(119,954)	(84,873)	(89,267)	(81,444)	(72,053)	(61,314)	(62,891)	(63,092)	(68,475)
Contribution deficiency (excess)	$ (20,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 592,972	$ 505,635	$ 504,064	$ 498,274	$ 496,150	$ 457,543	$ 511,113	$ 559,191	$ 515,549
Contributions as a percentage of covered - employee payroll	16.86%	16.79%	17.71%	16.35%	14.52%	13.40%	12.30%	11.28%	13.28%
Notes to Schedule:									
Contribution valuation date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial method	Entry age normal								
Amortization method	Level percentage of payroll, closed								
Remaining amortization period	Varies by rate plan, not more than 30 years								
Asset valuation method	Market Value								
Discount rate	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50% (1)
Inflation	2.500%	2.500%	2.500%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Payroll growth	2.750%	2.750%	2.750%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Salary increases	Varies by entry age and service								
Retirement age	50-67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study.								
Mortality	Most recent CalPERS Experience Study								

(1) Net of administrative expenses, includes inflation.

Omitted years: Since GASB Statement No. 68 was implemented during the year ended June 30, 2015, no information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

EL DORADO COUNTY TRANSPORTATION COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	11,616	$ 10,977	$ 10,675	$ 10,671	$ 9,098	$ 8,833
Interest	10,210	9,498	7,574	6,458	5,384	3,482
Differences between expected and actual experience	(24,075)	(927)	2,414	(698)	4,539	
Changes in assumptions	11,371	281	7,176	(2,471)	(2,388)	
Benefit payments	(6,179)	(1,752)	(1,136)			(537)
Implied subsidy credit		(2,548)	(2,241)	(1,026)	(2,821)	(1,354)
Net change in total OPEB liability (asset)	2,943	15,529	24,462	12,934	13,812	10,424
Total OPEB liability - beginning	127,850	112,321	87,859	74,925	61,113	50,689
Total OPEB liability - ending (a)	$ 130,793	$ 127,850	$ 112,321	$ 87,859	$ 74,925	$ 61,113
Plan fiduciary net position						
Net investment income	$ 7,171	$ (18,329)	$ 29,788	$ 3,707	$ 10,860	$ 6,167
Contributions						
Employer - Commission's contribution	11,468		1,136			
Employer - implicit subsidy		2,548	2,241	1,026		
Expected benefit payments from employer	(6,179)					
Investment Gains/(Losses)	553					
Benefit payments	6,179	(1,752)	(1,136)			(537)
Implicit rate subsidy credit		(2,548)	(2,241)	(1,026)		
Administrative expense	(102)	(67)	(44)	(52)	(49)	(39)
Other		(1,135)			14,330	
Net change in plan fiduciary net position	19,090	(21,283)	29,744	3,655	25,141	5,591
Plan fiduciary net position - beginning of year	$ 116,904	138,187	108,443	104,788	79,647	74,056
Plan fiduciary net position - end of year (b)	$ 135,994	$ 116,904	$ 138,187	$ 108,443	$ 104,788	$ 79,647
Net OPEB liability (asset) - end of year = (a)-(b)	$ (5,201)	$ 10,946	$ (25,866)	$ (20,584)	$ (29,863)	$ (18,534)
Plan fiduciary net position as a percentage of the total OPEB liability	103.98%	91.44%	123.03%	123.43%	139.86%	130.33%
Covered-employee payroll - measurement period	$ 592,972	$ 506,588	$ 487,238	$ 509,794	$ 496,150	$ 511,113
Net OPEB asset as percentage of covered payroll	-0.88%	2.16%	-5.31%	-4.04%	-6.02%	-3.63%
Notes to Schedule:						
Valuation date	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	July 1, 2017
Measurement period - fiscal year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2017
Changes in assumptions: Discount rate changes.	6.75%	7.82%	7.84%	7.82%	7.59%	7.00%

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

EL DORADO COUNTY TRANSPORTATION COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

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

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution - employer fiscal year	$ 13,268	$ 9,194	$ 11,510	$ 1,026	$ 2,821	$ 1,354
Contributions in relation to the actuarially determined contributions	(13,268)	(2,548)	(3,377)	(1,026)	(2,821)	(1,354)
Contribution deficiency (excess)	$ -	$ 6,646	$ 8,133	$ -	$ -	$ -
Covered-employee payroll	$ 592,972	$ 506,588	$ 487,238	$ 509,794	$ 496,150	$ 511,113
Contributions as a percentage of covered payroll	2.24%	0.50%	0.69%	0.20%	0.57%	0.26%

Notes to Schedule:

	2023	2022	2021	2020	2019	2018
Valuation date	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	July 1, 2017

Methods and assumptions used to determine contribution rates:

	2023	2022	2021	2020	2019	2018
Actuarial cost method	Entry-age normal cost					
Amortization method	Level percentage of payroll					
Amortization period	24	20	20	18	19	20
Asset valuation method	Market value					
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Healthcare cost trend rates:						
Initial rate	2.75%	6.50%	6.50%	6.50%	7.00%	7.00%
Rate trending down to		4.04%	4.04%	3.84%	4.73%	3.94%
Payroll growth	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%
Discount rate	6.75%	7.82%	7.84%	7.82%	7.59%	7.00%
Investment rate of return	6.75%	5.85%	5.85%	7.82%	7.59%	7.00%
Mortality	Derived using CalPERS membership data					
Retirement age	Derived using CalPERS membership data					

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

SUPPLEMENTARY INFORMATION

EL DORADO COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF INDIRECT AND DIRECT EXPENSES - ACCRUAL BASIS

For the Year Ended June 30, 2023

	Direct Expenses	Indirect Expenses	Total Expenses
Salaries and benefits:			
Salaries and wages	$ 349,844	$ 149,069	$ 498,913
Fringe benefits	271,862	135,246	407,108
OPEB expense adjustment	(2,060)		(2,060)
Pension expense adjustment	78,131		78,131
Total salaries and benefits	697,777	284,315	982,092
Professional services:			
Planning	370,614		370,614
Sacramento Area Council of Governments	128,171		128,171
Freeway Service Patrol	156,743		156,743
Legal	627	15,149	15,776
Accounting		8,064	8,064
Independent auditor	16,700	16,400	33,100
Other			
Total professional services	672,855	39,613	712,468
Rents, leases and building maintenance:			
Buildings		12,382	12,382
Equipment		2,445	2,445
Total rents and leases		14,827	14,827
Office and other operating:			
Office expenses - general	9,477	3,698	13,175
Maintenance - equipment		13,030	13,030
Postage		272	272
Total office and other operating	9,477	17,000	26,477
Memberships and publications:			
Memberships and dues	5,393	300	5,693
Publications and legal notices	526	317	843
Total memberships and publications	5,919	617	6,536
Other operating:			
Local mileage and travel	3,074	576	3,650
Depreciation and amortization		3,114	3,114
Lease asset amortization		43,578	43,578
Debt service interest payment		17,689	17,689
Staff development	4,495	992	5,487
Communications		13,381	13,381
Insurance		8,590	8,590
Total other operating	7,569	87,920	95,489
TOTAL OPERATING EXPENSES	$ 1,393,597	$ 444,292	$ 1,837,889

COMPLIANCE REPORTS

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

El Dorado County Transportation Commission
Placerville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the El Dorado County Transportation Commission (the Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 22, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Our audit was further made to determine that Transportation Development Act Funds allocated and received by the Commission were expended in conformance with the applicable statutes, rules and regulations of the Transportation Development Act, Section 6661 and 6662 of the California Code of Regulations and other State regulations. The results of performing these tasks disclosed no instances of noncompliance with the applicable statutes, rules and regulations of the Transportation Development Act. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Richardson & Company, LLP

November 22, 2023