SUTTER CREEK

JEWEL OF THE MOTHER LODE

City Council Meeting Agenda

Monday, June 02, 2025 at 6:00 PM

33 Church Street, Sutter Creek, CA 95685

The Agenda can be found on the City's Website: www.cityofsuttercreek.org

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The City of Sutter Creek City Council Meeting will be available in person and LIVE on YouTube at https://www.youtube.com/@CityofSutterCreek**.**

You can also watch the meeting on Zoom (please note Zoom participation is only available for viewing.

https://us02web.zoom.us/j/81391466458?pwd=4jXmBm1AP5bEbiID3iDwuxk4GpreRY.1

Or Dial by phone: 301 715 8592 Webinar ID: 816 8589 0182 Passcode: 186036

Unless stated otherwise on the agenda, every item on the agenda is exempt from review under the California Environmental Quality Act ("CEQA") per CEQA Guidelines Sections 15060(c), 15061(b)(3), 15273, 15378, 15301, 15323 and/or Public Resources Code Section 21065.

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1. **Call to Order and Establish a Quorum for Regular Meeting**

2. **Pledge of Allegiance to the Flag**

3. **Public Forum**

   At this time, the public is permitted to address the City Council on items not appearing on the agenda. Comments may not exceed 5 minutes. In accordance with State Law, however, no action or discussion may take place on any item not appearing on the posted agenda. The City Council may respond to statements made or questions asked or may request Staff to report back at a future meeting on the matter. The exceptions under which the City Council may discuss and/or take action on items not appearing on the agenda are contained in Government Code §54954.2. Public comment on any item listed below shall be limited to five minutes, unless additional time is permitted by the Mayor/Council.

4. **City Manager's Report**

   This section is an opportunity to provide Council members with a brief status update on staff activities. No action is expected to be taken by the Council.

5. Presentations

A. Oversight Committee Introduction

Introduction of the members of the newly formed Oversight Committee for Measure P funding.

B. ACRA Presentation

Amador County Recreation Agency Presentation

6. Approval of Minutes

A. City Council Minutes of May 19, 2025

Recommendation: By motion approve minutes as presented.

7. Ordinances and Public Hearing

8. Consent Agenda

Items listed on the consent agenda are considered routine and shall be enacted in one motion. Any item may be removed for discussion at the request of Council or the Public.

A. FEMA Disaster Grants Status

Information Report on Awarded Projects

9. Administrative Agenda

A. Audit Reports for Fiscal Year 2023-2024

Recommendation: Accept the FY23-24 financial audit report.

B. Draft Budget for FY 2025-2026

Review and Feedback from Council

LATE PACKET ITEM

10. Mayor and Council Member Reports

This section is to provide Council members an opportunity to present updates on their activities and to request items be placed on future agendas.

11. City Attorney's Report

This section provides an opportunity for the City Attorney to report on any activities or upcoming legislation of importance to the City. No action is expected to be taken by the Council.

12. Future Agenda Items

This section provides an opportunity for Council members to request items to be added to the agenda in the future with a majority Council vote.

13. Information and Correspondence

A. Board of Supervisors Letter to Water Board

14. Closed Session

A. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Negotiator: Tom DuBois, City Manager

Employee Organizations: Sutter Creek POA and SEIU

15. Report from Closed Session

16. Adjournment

The next regularly scheduled meeting is Month, DD YYY.

City Council Meeting Minutes

Monday, May 19, 2025 at 6:00 PM

33 Church Street, Sutter Creek, CA 95685

www.cityofsuttercreek.org

The City of Sutter Creek City Council Meeting was available in person and LIVE on YouTube.

1. Call to Order and Establish a Quorum for Regular Meeting

Mayor Claire Gunselman called the meeting to order. All Council Members were present.

2. Pledge of Allegiance to the Flag

Mayor Gunselman led the pledge of allegiance to the flag.

3. Public Forum

Mayor Gunselman opened the public forum. No members of the public came forward to speak.

4. City Manager's Report

City Manager Tom DuBois provided an update on a number of City items (link here):

1. Water Board Issue: DuBois informed the Council about a recent decision by the Water Board prohibiting the city of Ione from disposing of treated wastewater on their golf course. This decision impacts Sutter Creek, because the City relies on Ione for wastewater disposal. DuBois expressed concern about potential overflow of reservoirs by next spring if the issue is not resolved. He encouraged Council Members and the public to contact the Water Board about this pressing matter.
2. Henderson Reservoir Repair: DuBois mentioned the possibility of receiving an $800,000 grant for the Henderson Reservoir repair next year. However, any work done this year would not be eligible for the grant. He sought the council's opinion on whether to proceed with the repair this year or wait for the potential grant.
3. Community Events: DuBois reported on the success of recent events including the duck race and the installation of a new sign at the end of Main Street for businesses not located on Main Street.
4. Upcoming Agenda Items: DuBois informed the Council that June's meetings would be busy with discussions on the audit, budget, and MOUs for the two employee unions.
5. Pool Operations: DuBois assured the Council that the pool would operate this summer.

Council members asked questions about the water disposal issue, potential solutions, and the timeline for resolving the matter.

5. Presentations

A. Sutter Creek Visitor Center Presentation

Lisa Klusowski from the Sutter Creek Visitor Center gave a presentation on 2024 activities and achievements:

1. Visitor Numbers: The center has had 9,524 visitors since opening, with 5,467 in 2024 alone.
2. Volunteer Base: The Visitor Center has 31 active volunteers.
3. Marketing Materials: The Visitor Center has designed and printed a full-color brochure and the City is featured in the California State Visitors Guide.
4. New Initiatives: They have created a weekly event update and a guide to local businesses selling Sutter Creek merchandise.

Klusowski requested the same budget allocation ($5,500) as last year to support their ongoing efforts. Council members expressed appreciation for the center's work and its positive impact on the community.

6. Approval of Minutes

A. City Council Minutes of April 21, 2025

Corrections provided: Include names of residents when provided. Correct the date for Ad Hoc. Change to "ACTC" on Item 10.

Motion to approve the Minutes from April 21, 2025 as corrected by Council Member Sierk, second by Council Member Feist.

AYES: Council Members Riordan, Sierk, Gunselman, Swift, Feist

NOES: none

MOTION CARRIED 5-0

7. Consent Agenda

A. Contracts Renewal - Hauge Brueck Associates, LLC and Cole Huber LLP

B. SB-1 Project List FY 25-26

Council Member Riordan inquired about a new person listed in the planning contract and a change in the compensation component language. Council Member Sierk sought clarification on the SB-1 project list and the use of the word "both" in reference to proposed projects. Correction was provided.

Motion to approve the Consent Agenda with correction to SB-1 project list description by Council Member Riordan, second by Council Member Feist.

AYES: Council Members Riordan, Sierk, Gunselman, Swift, Feist

NOES: none

MOTION CARRIED 5-0

8. Ordinances and Public Hearing

A. **Public Hearing on Current Job Vacancies, Recruitment Efforts, and Retention Strategies Overview of current job vacancies, recruitment efforts, and retention strategies as required by California Assembly Bill 2561.**

City Clerk Aaron Wolcott presented an overview of the city's current employment status, vacancies, and recruitment efforts as required by California Assembly Bill 2561. Key points included:

1. Current Staff: 19 employees (15 full-time, 4 part-time) and 1 vacancy in the police department.
2. Staff Breakdown: 3 Administrative, 6 Public Works, 4 Police, and 6 Management (un-represented) staff.
3. Retention Rate: 88% over the last year, with 2 retirements and 2 resignations.
4. Recruitment Times: Varied from 1 month to 5 months for different positions.

Council Members asked clarifying questions about staff categorization and management positions. Mayor Gunselman opened the public hearing. No bargaining group representatives or members of the public commented during the public hearing. Council Member Swift stated that he does not appreciate yet another State-mandated reporting requirement for local agencies.

B. **Public Hearing to Hear and Consider Objections and Protests, if any, to the Contents of the Written Report on Delinquent Sewer Charges**

Mayor Gunselman opened the public hearing. No members of the public came forward to comment. The council closed the public hearing and proceeded to vote.

Motion to approve the resolution ordering delinquent surcharges to be placed on the tax rolls by Council Member Swift, second by Council Member Sierk.
AYES: Council Members Riordan, Sierk, Gunselman, Swift, Feist
NOES: none
MOTION CARRIED 5-0

9. Administrative Agenda

A. Wastewater Treatment Plant Request for Proposals

City Manager Tom DuBois and Public Works Director Dan Lafontaine presented the Request for Proposals (RFP) for the wastewater treatment plant project. They explained that the procurement method selected uses the ESCO (energy savings) part of the state code, which allows for a progressive design-build approach. The project will be done in three phases, including an initial phase to address open issues around regulation, FEMA, and site planning. DuBois and Lafontaine suggested that the deadline for submission of proposals be extended two weeks due to holidays that fall within the submission period.

Council Members expressed appreciation for the thorough RFP. Council Member Sierk asked about the language around keeping the design, which Lafontaine explained means that the City could opt to only pay for the design if the rest of the project is too expensive for the City to complete. Council Member Riordan queried the liability amount which was explained as standard language for such projects. Mayor Gunselman questioned the plan for communication with the City of Ione and Lafontaine explained that they are keeping communication open with Ione. Council Member Swift stated that he had no objection to the two-week extension for proposal submission.

Motion to approve the Request for Proposals (RFP) with additional two-week response time by Council Member Riordan, second by Council Member Sierk.
AYES: Council Members Riordan, Sierk, Gunselman, Swift, Feist
NOES: none
MOTION CARRIED 5-0

B. Sewer Collection System Repair Projects

Public Works Director Dan Lafontaine presented information on bids received for sewer collection system repair projects. Soracco, Inc. was the winning bidder with a cost of $658,918. Lafontaine noted that they have enough budget for all the repairs.

Motion to approve the resolution awarding the construction contract for miscellaneous sewer main replacement projects to Soracco, Inc. by Council Member Swift, second by Council Member Feist.
AYES: Council Members Riordan, Sierk, Gunselman, Swift, Feist
NOES: none

MOTION CARRIED 5-0

C. Agreement to Accept Impact Fees From The County For Bryson Park

City Manager Tom DuBois explained that the agreement was necessary to receive old ACRA impact funds from the County for a new ADA-compliant bathroom at Bryson Park. The Council was pleased to see this proceeding. Council Members discussed potential additional security features for the bathrooms, including automatic locking doors. Public Works Director, Dan Lafontaine said they were looking into options for better security including lighting and various lock options.

Motion to approve the agreement to accept impact fees from the County for Bryson Park by Council Member Sierk, second by Mayor Gunselman.
AYES: Council Members Riordan, Sierk, Gunselman, Swift, Feist
NOES: none
MOTION CARRIED 5-0

10. Mayor and Council Member Reports

Council Member Feist: Nothing to report.
Council Member Swift: Nothing to report.
Council Member Riordan reported that ACTC meeting is coming up. Riordan also noted that County Supervisor, Pat Crew, was going to be away from his duties for a while due to health concerns and expressed good wishes to him.
Council Member Sierk gave a detailed report on recent developments at ACRA, including the resignation of the General Manager and ongoing efforts to ensure financial stability and program continuity. She expressed optimism that ACRA programming will continue as before.
Mayor Gunselman asked that Council receive more information from ACRA on what programming is being done in Sutter Creek.
City Manager Tom DuBois reported that the Local Tax Oversight Committee met for the first time and will meet again before the next council meeting on June 2nd.

11. City Attorney's Report

Nothing to report.

12. Future Agenda Items

None

13. Information and Correspondence

A. April 2025 Treasurer's Report
B. April 2025 Finance Department Report
C. April 2025 Cash Flow Report
D. April 2025 Revenue Report
E. April 2025 Expense Report
F. April 2025 Police Report
G. April 2025 Public Works Report
H. April 2025 Planning Department Report
I. April 2025 City Clerk Report
J. April 2025 City Engineering Report

Council Member Swift would like to see permit fees reported as “fees received” instead of “revenue”.

Council Member Riordan expressed concern, based on the Engineering Report, that Council was only receiving limited information regarding the status of the Navarro property (300 Hanford Street). Council Member Swift agreed that a code enforcement update would be appreciated.
Mayor Gunselman noted from the Police Report that of the 162 traffic stops, 155 didn't receive any tickets. She also asked for clarification on sewer repairs being done by Public Works.

The meeting was adjourned to Closed Session at 7:23 PM

14. Closed Session

A. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6
Agency Negotiator: Tom DuBois, City Manager
Employee Organizations: Sutter Creek POA and SEIU

15. Report from Closed Session

Closed Session was adjourned at 8:31 PM. Mayor Gunselman reported no reportable action.

16. Adjournment

The meeting was adjourned at 8:32 PM

The next regularly scheduled meeting is June 2, 2025 at 6 PM

SUTTER CREEK
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John Sutter
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STAFF REPORT

TO:	**THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**
MEETING DATE:	**June 2, 2025**
FROM:	**William Watson, Project Manager**
SUBJECT:	**FEMA FEDERAL DISASTER DR-4683 – PROJECTS 328, 1098 & 1500**

RECOMMENDATION:
Council reviews City of Sutter Creek generated report for completed FEMA approved projects.

BACKGROUND:
As a result of the atmospheric river conditions during the 12/27/2022 -1/31/2023 event, heavy rains overwhelmed some of the City's public infrastructure resulting in damage and debris. FEMA approved funding for projects 328 - Armor Wall, 1098 – Culvert, and 1500 - Flushing Dam debris removal. The Contractual Federal Cost Share for FEMA Disaster DR-4683 is 75%, and 25% for local government.

DISCUSSION:
City of Sutter Creek Scope of Work is 100% complete with all supporting documentation submitted to FEMA. Cal OES has completed the Final Inspection Report and will submit the report to FEMA for review/records. FEMA approved and obligated all three projects. Cal OES has processed all payments (fully funded). There are no outstanding action items by FEMA, CalOES or the City of Sutter Creek.

BUDGET IMPACT:
Project: 328
Awarded: $17,492.07
Federal Share: $13,119.05
City Share: $4,373.02

Project: 1098
Awarded: $218,335.50
Federal Share: $163,751.63
City Share: $54,583.87

Project: 1500
Awarded: $45,026.80
Federal Share: $33,770.10
City Share: $11,256.70

ATTACHMENT:

City of Sutter Creek's FEMA DR-4683 Summary Report

SUTTER CREEK

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FEMA DR-4683 Summary Report

Prepared by:

William Watson

May 22, 2025

City of Sutter Creek
FEMA DR-4683
PWs 328, 1098 & 1500

FEMA Projects 328, 1098, and 1500: City of Sutter Creek

1. Executive Summary

The California Office of Emergency Services (Cal OES) has completed the Final Inspection Report (FIR) for FEMA Projects 328, 1098, and 1500, which were undertaken to address recovery needs in the City of Sutter Creek. Cal OES's report recommends approval of funding, based on the City's successful completion of the agreed-upon scope of work. All requested documentation was provided and uploaded to the Grants Portal. Cal OES did not indicate any issues or non-compliance with the scope of work, following the City's prompt responses to environmental inquiries before the FIR's completion.

Additionally, inquiries made by the City regarding any outstanding funding were addressed by FEMA, confirming that all obligated projects for the City of Sutter Creek had been paid in full. FEMA's 75% cost-share funding responsibility for these projects was clearly outlined, with the City of Sutter Creek responsible for the remaining 25%.

2. Introduction

The purpose of this report is to summarize the findings of the Final Inspection conducted by Cal OES for FEMA Projects 328, 1098, and 1500, as related to the City of Sutter Creek. The inspection serves as a basis for recommending funding for these projects, based on the City's fulfillment of the scope of work requirements as agreed upon with FEMA.

The report also addresses the City's inquiry regarding any outstanding funding for the projects, providing clarification on the federal cost-sharing structure and confirming that the City has received the full amount of funding allocated to these projects.

3. Scope of Work

Each of the FEMA projects – 328, 1098, and 1500 – had a defined scope of work established between FEMA and the City of Sutter Creek. The key elements of the scope of work included:

- **FEMA Project 328**: Category D – Armor Wall Repair
- **FEMA Project 1098**: Category C – Collection Grates Repair
- **FEMA Project 1500**: Category A – Debris Removal, Dam Wall

The City was responsible for completing these tasks in compliance with FEMA requirements, including addressing any environmental inquiries and providing all necessary documentation for review.

4. Inspection Process

The Final Inspection Report from Cal OES confirms that the City of Sutter Creek has met the scope of work requirements for all three FEMA projects. The inspection process included:

- **Document Submission**: The City submitted all required documents to the Grants Portal platform as requested by Cal OES. These documents were thoroughly reviewed to verify that the City had completed all aspects of the projects as outlined in the scope of work.
- **Environmental Inquiries**: Cal OES made environmental inquiries related to the projects. The City responded to these inquiries ensuring compliance with all applicable regulations.

Following the review, Cal OES indicated that there were no concerns regarding the completion of the projects, and all requirements were met.

5. Findings

The key findings of the Final Inspection Report are as follows:

- **Completion of Scope of Work**: The City of Sutter Creek has successfully completed the scope of work for FEMA Projects 328, 1098, and 1500, as outlined in the project agreements.
- **Documentation**: The City provided all requested documentation via the Grants Portal. No discrepancies were found in the documentation submitted by the City.
- **Environmental Compliance**: All environmental inquiries made by Cal OES were addressed adequately by the City, ensuring compliance with relevant environmental guidelines.
- **FEMA's Funding Share**: The FEMA cost share for the projects was 75% of the obligated/awarded amount. The City was responsible for the remaining 25%.

6. Funding Overview

The funding details for each project are as follows:

FEMA Project 328

- **Obligated/Awarded Amount**: $17,492.07
- **Federal Share (75%)**: $13,119.05
- **City Share (25%)**: $4,373.02
- **Funding Received**: August 2024 (Confirmed)

FEMA Project 1098

- **Obligated/Awarded Amount**: $218,335.50
- **Federal Share (75%)**: $163,751.63
- **City Share (25%)**: $54,583.87
- **Funding Received**: August 2024 (Confirmed)

FEMA Project 1500

- **Obligated/Awarded Amount**: $45,026.80
- **Federal Share (75%)**: $33,770.10
- **City Share (25%)**: $11,256.70
- **Funding Received**: September 2024 (Confirmed)

7. Funding Responsibility and Clarifications

FEMA confirmed that all obligated projects for the City of Sutter Creek have been paid in full. The federal cost share for each project is 75% of the obligated/awarded amount. This means the City is responsible for covering the remaining 25%, which is typical for such FEMA-funded projects.

In rare cases, the state may cover the remaining 25% under the California Disaster Assistance Act (CDAA), but in this instance, FEMA's 75% cost share has been honored. The City of Sutter Creek has already received the full amount available for these projects, including the 75% federal funding share.

8. Conclusion

The City of Sutter Creek has successfully completed all required work for FEMA Projects 328, 1098, and 1500, with no issues identified in the Final Inspection Report from Cal OES. All necessary documentation was submitted, and environmental compliance was verified. The City has also received the full federal share of funding for the projects, and the 25% local cost share has been fulfilled as per the terms of the FEMA agreements.

Based on these findings, Cal OES's recommendation for funding approval is confirmed. FEMA will receive the Final Inspection Report prepared by Cal OES, review the package, then make a final determination. This process can take several years to complete.

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SUTTER CREEK

John Sutter

JEWEL OF THE MOTHER LODE

TO:	**THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**
MEETING DATE:	**JUNE 2, 2025**
FROM:	**MASON PETERS, FINANCE SUPERVISOR**
SUBJECT:	**AUDIT REPORTS FOR FISCAL YEAR 2023-2024**

RECOMMENDATION:
Accept the Fiscal Year 2023-24 financial audit reports..

BACKGROUND:
The City of Sutter Creek has worked with Maze & Associates as our primary auditors for a few years now. Previously, our primary auditor partner was Vikki Rodriguez, but this year due to GASB rules, David Alvey will be our primary partner for the foreseeable future. We have always had a great working relationship with Maze and this year was no different. David and his team were great to work with and they are a great resource for our city.

Historically, Maze and Associates presents the Basic Financial Statements, Memorandum on Internal Control, and Required Communications to the Council to go over any significant changes that occurred throughout the course of the prior fiscal year and answer any questions that the council may have.

DISCUSSION:
Due to previously scheduled vacations and time constraints related to implementing the new ERP system for the City, this item was postponed from the May 19th meeting and placed on the current agenda. David Alvey will be presenting the audit documents for Council.

BUDGET IMPACT:
None.

CITY OF SUTTER CREEK, CALIFORNIA

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2024

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CITY OF SUTTER CREEK, CALIFORNIA

Basic Financial Statements

For the Year Ended June 30, 2024

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CITY OF SUTTER CREEK, CALIFORNIA

Basic Financial Statements

For the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Sutter Creek, California

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the (City), California, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements in the Table of Contents 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Accountancy Corporation
3478 Buskirk Avenue, Suite 217
Pleasant Hill, CA 94523

T 925.228.2800
E maze@mazeassociates.com
W mazeassociates.com

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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents 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 City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, 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.

Maze + Associates

Pleasant Hill, California
May 23, 2025

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MANAGEMENT DISCUSSION & ANALYSIS

This discussion and analysis of the City of Sutter Creek (City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read in conjunction with the accompanying financial statements and related notes, which follow this section.

Financial Highlights:

- The total assets and deferred outflows of resources of the City exceeded its total liabilities and deferred inflows of resources of June 30, 2024 by $23,028,187, which represents the total net position. Of this amount, $18,652,675 is the net investment in capital assets, $491,684 is restricted for other City projects and $3,883,828 is unrestricted.
- The City's net position decreased by $664,651 for year ended June 30, 2024, compared to Fiscal year end 2023.
- General Fund revenue exceeded General Fund expenses by $93,786. City's General Fund revenue totaled $2,638,345 and General Fund expense totaled $2,544,559 for fiscal year 2024.
- Total net pension liability increased from $4.4 million to $4.7 million
- Actual revenues exceeded budgeted revenues by $142,115
- Actual expenditures exceeded budgeted expenditures by $40,677

Overview of the Financial Statements:

This discussion and analysis are an introduction to the City's basic financial statements that are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements for further information and analysis. The government-wide and the fund financial statements present two different views of the City:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City's financial information, reporting these operations in more detail than the government-wide financial statements.
- The governmental funds statements and the custodial funds statements tell how basic services such as operations, administration, and restricted funds were financed in the short-term as well as what remains for future spending.

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data analysis. To assist the reader in understanding the differences between them, a brief discussion of each follow, including the relationship of these statements to each other and the significant differences in the information they provide.

Government-Wide Financial Statements:

The government-wide financial statements report information about the City as a whole, providing readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are therefore taken into account, regardless of when cash is received or paid.

The first of the government-wide statements is the Statement of Net Position. The Statement of Net Position reports the difference between the City's total assets and total liabilities and includes all the City's capital assets and all its long-term debt. Over time, increases or decreases in net position may serve as one indicator of whether the City's financial position is improving or deteriorating.

Although the Statement of Net Position reports a total net position of $23,028,187, the City has restrictions over the use of these funds. The investment in land, buildings, and equipment (capital assets, net of related debt) is necessary for the successful operation of the City. Governmental laws segregate funds and place restrictions on spending. This should be considered when reviewing the report.

The second of the government-wide financial statements is the Statement of Activities. This statement shows the result of operations that caused net position to change from the prior year to the amount reported on the Statement of Net Position as of June 30, 2024. All changes of net position are reported as soon as the underlying event giving rise to the change occurs. Therefore, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years' reporting periods.

The Statement of Activities classifies expenses by functional area. The report also shows corresponding charges for services and restricted grants for each function that help support the expenses. The resulting Net (Expenses) Revenue and Changes in Net Position shows the remaining expenses not supported by charges for services and restricted grants. General revenues are then applied to the remaining expenses resulting in a total change in net position.

Fund Financial Statements:

The fund financial statements provide detailed information about the City's most significant funds – not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by state or federal law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the City is meeting legal responsibilities for using certain taxes, grants and other funding resources. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds—Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial resources that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs.

Because the focus of the governmental funds is narrower than that of the government wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. The differences of results in the governmental funds financial statements to those in the government-wide financial statements are shown in reconciliations following the governmental funds financial statements.

Proprietary Funds— The City maintains one type of proprietary funds – enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the wastewater collection and treatment. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are not reflected in the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to Basic Financial Statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information:

In addition to the basic financial statements, this report also presents certain Required Supplementary Information including the City's Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date.

Supplementary Information:

Supplementary schedules concerning balance sheets and fund balances for all other funds are presented immediately following the Required Supplementary Information. Financial activity related to the City's custodial funds is also presented separately in this section.

Revenues & Expenditures Analysis:

	Governmental Activities		Business-Type Activies		Total	
Revenues	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Taxes	$ 2,253,402	$ 1,966,165	$ -	$ -	$ 2,253,402	$ 1,966,165
Licenses & Permits	73,174	106,424	-	-	73,174	106,424
Fines & Penalties	6,708	7,239	-	-	6,708	7,239
Interest & Investment Income	77,018	28,157	62,410	23,794	139,428	51,951
Intergovernmental	173,554	933,898	203,161	-	376,715	933,898
Charges for Services	377,985	346,509	2,423,763	2,137,285	2,801,748	2,483,794
Other Revenue	52,913	25,059	450,000	-	502,913	25,059
Total	$ 3,014,754	$ 3,413,451	$ 3,139,334	$ 2,161,079	$ 6,154,088	$ 5,574,530
Expenditures	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
General Gov & Admin	$ 818,969	$ 592,093	$ -	$ -	$ 818,969	$ 592,093
Public Safety	1,151,290	1,095,006	-	-	1,151,290	1,095,006
Public Works & Facilities	637,464	381,692	-	-	637,464	381,692
Community Development	61,756	96,085	-	-	61,756	96,085
Cultural and Recreation	386,959	391,409	-	-	386,959	391,409
Capital Outlay	(91,228)	554,040	-	-	(91,228)	-
Wastewater	-	-	2,418,501	896,387	2,418,501	896,387
Total	$ 2,965,210	$ 3,110,325	$ 2,418,501	$ 896,387	$ 5,383,711	$ 3,452,672
Net Revenue (Loss)	$ 49,544	$ 303,126	$ 720,833	$ 1,264,692	$ 770,377	$ 2,121,858

Revenue generation decreased by 11.7% for General Fund and related Funds compared to last fiscal year, while the sewer enterprise fund grew by 45.2%. Most of the decrease in General Fund revenue is due to a decrease in Intergovernmental revenues, particularly the COVID SLFRF apportionments that we obligated to the General Fund. That was a onetime transaction that boosted revenue figures but returned back to normal levels in fiscal year 2024. Governmental expenditures decreased by $145,115 and enterprise expenditures increased $1,522,114.

Revenue

The City's total revenue was $6.15 million for the fiscal year ended June 30, 2024. Revenue from governmental activities totaled $3.01 million and revenue from business-type activities totaled $3.14 million. Revenue increased by $604,617 from the previous year, which was primarily driven by the net activity between an increase in Taxes by $287,237, an increase in Interest by $87,477, a decrease in Intergovernmental by $517,183, and an increase in Service Charges by $317,954.

Expenses

Expenses of the City for the year totaled $5.47 million. Governmental activity expenses totaled $2.97 million and Business-type activity expenses totaled $2.42 million. Total expenses increased by $2,022,267 from the previous year. The large increase in expenses is primarily driven by large capital projects for the wastewater collection system, streets upgrades, and filling the Public Works Director position in Q2 of FY24 for the first time in a few years.

Fund Financial Statement Analysis:

The City uses fund accounting to ensure and demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activity. The fund financial statements focus on individual parts of the City government, reporting the City's operation in more detail than the government-wide statements. The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources.

As the City completed the year, the General Fund reported combined fund balances of $1,421,481, a decrease of $101,308 from last year's ending fund balances of $1,522,789.

Fund Budgetary Highlights:

The General Fund final adopted budget had an increase from the prior year in total revenue by $207,685 and the actual total revenue decreased from the prior year by $227,295. Final budgeted revenues for the General Fund for 2024 totaled $2.49 million while actual revenues equaled $2.64 million, an increase of $142,115.

General Fund expenditures budgeted for 2024 totaled $2.5 million while actual expenditures equaled $2.54 million, a difference of $40,677.

GOVERNMENT-WIDE FINANCIAL ANALYSIS:

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	$ 2,498,153	$ 2,371,954	$ 3,504,735	$ 3,677,664	$ 6,002,888	$ 6,049,618
Capital assets, net	16,053,912	16,352,460	3,029,763	2,250,477	19,083,675	18,602,937
Total Assets	18,552,065	18,724,414	6,534,498	5,928,141	25,086,563	24,652,555
Deferred Outflows of Resources						
Pension related	3,012,352	3,983,850	1,004,118	1,327,951	4,016,470	5,311,801
Total Deferred Outflows of Resources	3,012,352	3,983,850	1,004,118	1,327,951	4,016,470	5,311,801
Liabilities						
Current	460,785	379,596	205,695	669,827	666,480	1,049,423
Long-term liabilities	3,648,461	3,382,811	1,612,778	1,551,888	5,261,239	4,934,699
Total Liabilities	4,109,246	3,762,407	1,818,473	2,221,715	5,927,719	5,984,122
Deferred Inflows of Resources						
Pension related	110,345	215,547	36,782	71,849	147,127	287,396
Total Deferred Inflows of Resources	110,345	215,547	36,782	71,849	147,127	287,396
Net Position						
Net investment in capital assets	16,053,912	16,352,460	2,598,763	1,345,477	18,652,675	17,697,937
Restricted	491,684	375,355	-	-	491,684	375,355
Unrestricted	799,230	2,002,495	3,084,598	3,617,051	3,883,828	5,619,546
Total Net Position	**$ 17,344,826**	**$ 18,730,310**	**$ 5,683,361**	**$ 4,962,528**	**$ 23,028,187**	**$ 23,692,838**

Net position represents the difference between the City's resources and its obligations. As of June 30, 2024, the largest portion of the City's total, 81 percent, reflects the investment in capital assets, less related debt outstanding used to acquire the capital assets. The City's net position is broken out into three categories: net investment in capital assets totaling $18,652,675 (e.g., land, buildings, and improvements, machinery and equipment) less any related debt used to acquire those assets that is still outstanding, restricted for specific purposes totaling $491,684 and unrestricted totaling $3,883,828. These capital assets are used by the City to provide services to the citizens; consequently, these assets are not available for future spending. Additional capital asset information can be found in the Capital Asset and Debt Administration section of the MD&A. Restricted net position represents amounts that may be used in accordance with external restrictions. The unrestricted balance of net position may be used at the City's discretion.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

As of the end of fiscal year 2024, the City had invested $6,707,365 in a broad range of capital assets including buildings, land, wastewater facilities, the sewer treatment plant, vehicles and machinery. The City increased its gross capital assets by $883,788 during 2024. Total depreciation expense for the year was $104,502. Depreciation expense is allocated to the fund and category in which the capital asset has been recorded.

Additional information on the City's capital assets can be found in Note 4.

Long-Term Debt:

The City's long-term debt is composed of $431k due to the U.S Department of Agriculture which was to finance capital improvements to the City's sewer collection system.

Additional information on the City's long-term debt can be found in Note 5.

Pension Liability:

City of Sutter Creek CalPERS Contributions as a Percentage of Total Payroll Costs by Fiscal Year										
City Miscellaneous Plan										
Fiscal Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Calculated Contribution	125,929	158,803	172,817	175,493	197,774	224,844	181,681	209,432	231,367	244,874
Covered Payroll	299,794	467,495	482,527	507,853	473,834	324,503	527,385	629,749	505,851	742,789
Contributions as % of Payroll	42.01%	33.97%	35.81%	34.56%	41.74%	69.29%	34.45%	33.26%	45.74%	32.97%
City Safety Plan										
Fiscal Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Calculated Contribution	96,145	103,268	113,766	112,938	130,533	167,177	193,137	201,184	221,811	232,844
Covered Payroll	364,745	269,693	272,978	349,806	323,592	314,220	361,808	300,933	298,606	355,418
Contributions as % of Payroll	26.36%	38.29%	41.68%	32.29%	40.34%	53.20%	53.38%	66.85%	74.28%	65.51%

The chart above analyzes CalPERS contributions against total Covered Payroll costs, which are all payroll costs rolled up into a single figure for a given fiscal year. We are all aware that pension costs and overall payroll costs have risen significantly over the last ten years, but a useful analysis is what percentage of the total payroll costs does the CalPERS payroll contribution make up. If we look over the course of the last ten years, we can see that for the Miscellaneous group, it fluctuated greatly in 2020, but overall, it stays in the mid 30% to low 40% range of total payroll costs for a given fiscal year. A reason for this steady level is that more expensive Classic members of this plan have retired, and PEPRA members have a lower contribution rate for employer and employee. For the Safety plan, we can see growth in the percentage of total payroll costs over the course of the last decade, primarily due to the maintained level of greater retirement benefits that Safety members enjoy and the increased costs of keeping those retirement perks (earlier retirement than other groups, greater percentage of monthly pension pay compared to other plans, etc.) Keep in mind, the maintained level of benefits is not a City decision, but dictated by the Classic vs PEPRA designation that CalPERS made in 2013.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET:

The factors that most significantly impact the City and its budget are driven by property values, building activity, and tourism. These factors directly impact property taxes, sales taxes, and transient occupancy taxes, which combined are the City's largest revenue sources of governmental activities.

The City understands that preparing for future downturns and capital improvements are necessary for a secure future, therefore the City transfers a portion of any surplus of funds accumulated during the fiscal year to appropriate reserve accounts determined during the budgeting process. As of June 30, 2024, the City did not make any transfers to reserves due to no reserve accounts being identified during the budgeting process for fiscal year 2024. All surplus funds remained in their proper operating funds (General Fund and Enterprise Fund).

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in Note 8. The City's required contribution for the unfunded liability was $331,077 in fiscal year 2024.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT:

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or would like additional financial information, please contact the City of Sutter Creek, 18 Main Street, Sutter Creek, California 95685.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SUTTER CREEK
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents (Note 2)	$2,285,100	$3,417,023	$5,702,123
Accounts receivable, net of allowance for doubtful accounts	2,191	87,712	89,903
Due from other government agencies	210,862		210,862
Total current assets	2,498,153	3,504,735	6,002,888
Noncurrent assets:			
Capital assets (Notes 1E and 4):			
Non-depreciable	1,868,249	862,563	2,730,812
Depreciable, net	14,185,663	2,167,200	16,352,863
Total noncurrent assets	16,053,912	3,029,763	19,083,675
Total Assets	18,552,065	6,534,498	25,086,563
DEFERRED OUTFLOWS OF RESOURCES			
Pension related (Note 8)	3,012,352	1,004,118	4,016,470
Total Deferred Outflows of Resources	3,012,352	1,004,118	4,016,470
LIABILITIES			
Current liabilities:			
Accounts payable	253,355	58,084	311,439
Accrued liabilities	110,707	24,899	135,606
Due to other governments	9,761		9,761
Interest payable		85,318	85,318
Deposits payable	70,574	4,543	75,117
Compensated absences, due in less than one year (Note 1G)	16,388	7,851	24,239
Long-term debt, due in less than one year (Note 5)		25,000	25,000
Total current liabilities	460,785	205,695	666,480
Long-term liabilities:			
Compensated absences, due in more than one year (Note 1G)	29,938	14,027	43,965
Long-term debt, due in more than one year (Note 5)		406,000	406,000
Total OPEB liability (Note 6)	40,271		40,271
Net pension liability (Note 8)	3,578,252	1,192,751	4,771,003
Total long-term liabilities	3,648,461	1,612,778	5,261,239
Total Liabilities	4,109,246	1,818,473	5,927,719
DEFERRED INFLOWS OF RESOURCES			
Pension related (Note 8)	110,345	36,782	147,127
Total Deferred Inflows of Resources	110,345	36,782	147,127
NET POSITION (Note 7)			
Net investment in capital assets	16,053,912	2,598,763	18,652,675
Restricted for City projects	491,684		491,684
Unrestricted	799,230	3,084,598	3,883,828
Total Net Position	$17,344,826	$5,683,361	$23,028,187

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

CITY OF SUTTER CREEK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Total
Governmental Activities:							
General government and administrative services	$1,581,111	$291,017	$43,941		($1,246,153)		($1,246,153)
Public safety	1,614,782	9,693	106,000		(1,499,089)		(1,499,089)
Culture and recreation		127,838			127,838		127,838
Public works	1,142,590	2,791	177,952	$5,248	(956,599)		(956,599)
Community development	61,756	100			(61,656)		(61,656)
Total Governmental Activities	4,400,239	431,439	327,893	5,248	(3,635,659)		(3,635,659)
Business-type Activities:							
Wastewater	2,418,501	2,423,763				$5,262	5,262
Total Business-type Activities	2,418,501	2,423,763				5,262	5,262
Total Government-Wide	$6,818,740	$2,855,202	$327,893	$5,248	(3,635,659)	5,262	(3,630,397)
General revenues:							
Taxes:							
Property taxes					910,418		910,418
Sales taxes					471,665		471,665
Transient occupancy tax					371,280		371,280
Franchise taxes					148,458		148,458
Gas taxes					218,350		218,350
Investment income					77,018	62,410	139,428
Intergovernmental						203,161	203,161
Loan forgiveness (Note 5)						450,000	450,000
Miscellaneous					52,985		52,985
Total General Revenues					2,250,174	715,571	2,965,745
Changes in Net Position					(1,385,485)	720,833	(664,652)
Net Position - Beginning					18,730,311	4,962,528	23,692,839
Net Position - Ending					$17,344,826	$5,683,361	$23,028,187

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

CITY OF SUTTER CREEK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	Major Funds				
	General Fund	FEMA Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments (Note 2)	$1,123,326			$1,161,774	$2,285,100
Accounts receivable, net of allowance for doubtful accounts				2,191	2,191
Due from other funds (Note 3)	376,997				376,997
Due from other governmental agencies	198,553			12,309	210,862
TOTAL ASSETS	$1,698,876			$1,176,274	$2,875,150
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$147,255			$106,100	$253,355
Accrued liabilities	110,707				110,707
Due to other funds (Note 3)		$123,191	$253,806		376,997
Due to other governments	9,761				9,761
Deposits payable	9,672		6,089	54,813	70,574
TOTAL LIABILITIES	277,395	123,191	259,895	160,913	821,394
FUND BALANCES (Note 7)					
Restricted				1,007,535	1,007,535
Unassigned	1,421,481	(123,191)	(259,895)	7,826	1,046,221
TOTAL FUND BALANCES (DEFICITS)	1,421,481	(123,191)	(259,895)	1,015,361	2,053,756
TOTAL LIABILITIES AND FUND BALANCES	$1,698,876			$1,176,274	$2,875,150

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

CITY OF SUTTER CREEK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2024

Total Governmental Fund Balances	$2,053,756
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.	16,053,912
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	
Compensated absences	(46,326)
Other post-employment benefits	(40,271)
Pension related deferred outflows, deferred inflows and liabilities	(676,245)
Net Position of Governmental Activities	$17,344,826

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

CITY OF SUTTER CREEK
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	Major Funds				
	General Fund	FEMA Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and assessments	$2,038,317			$215,085	$2,253,402
Licenses, permits and fees	72,874			300	73,174
Fines and forfeitures	6,708				6,708
Interest and investment income	63,615	$427		12,976	77,018
Intergovernmental revenues	170,289			3,265	173,554
Charges for services	233,629			144,356	377,985
Other revenue	52,913				52,913
TOTAL REVENUES	2,638,345	427		375,982	3,014,754
EXPENDITURES					
Current:					
General government and administration	775,296			43,673	818,969
Public safety	1,150,182			1,108	1,151,290
Public works and facilities	309,530			327,934	637,464
Community development	61,756				61,756
Cultural and recreation	282,785			104,174	386,959
Capital outlay	(34,990)	87,007		(143,245)	(91,228)
TOTAL EXPENDITURES	2,544,559	87,007		333,644	2,965,210
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	93,786	(86,580)		42,338	49,544
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 3)	1,746			196,840	198,586
Transfers out (Note 3)	(196,840)	(1,746)			(198,586)
TOTAL OTHER FINANCING SOURCES (USES)	(195,094)	(1,746)		196,840	
NET CHANGE IN FUND BALANCES	(101,308)	(88,326)		239,178	49,544
FUND BALANCES, BEGINNING OF YEAR	1,522,789	(34,865)	($259,895)	776,183	2,004,212
FUND BALANCES (DEFICITS), END OF YEAR	$1,421,481	($123,191)	($259,895)	$1,015,361	$2,053,756

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

CITY OF SUTTER CREEK
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$49,544
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	
Depreciation	(550,798)
Capitalizable expenditures are added back to fund balance	252,250
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds (net change):	
Compensated absences	(8,495)
Other post-employment benefits	2,295
Change in net pension liability and related deferred inflows/outflows	(1,130,281)
Change in Net Assets of Governmental Activities	($1,385,485)

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

CITY OF SUTTER CREEK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES:				
Taxes	$2,018,145	$1,910,680	$2,038,317	$127,637
Licenses and permits	94,300	87,600	72,874	(14,726)
Fines and penalties	8,000	8,000	6,708	(1,292)
Interest and investment income	2,500	2,500	63,615	61,115
Intergovernmental	272,600	294,600	170,289	(124,311)
Charges for services	186,150	192,850	233,629	40,779
Other revenue			52,913	52,913
TOTAL REVENUES	2,581,695	2,496,230	2,638,345	142,115
EXPENDITURES:				
Current:				
General government and administration	616,737	621,761	775,296	(153,535)
Public safety	1,195,514	1,195,514	1,150,182	45,332
Public works and facilities	155,000	336,350	309,530	26,820
Community development	150,080	57,430	61,756	(4,326)
Culture and recreation	301,954	289,827	282,785	7,042
Capital outlay		3,000	(34,990)	37,990
TOTAL EXPENDITURES	2,419,285	2,503,882	2,544,559	(40,677)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	162,410	(7,652)	93,786	101,438
OTHER FINANCING SOURCES (USES)				
Transfers in	82,900		1,746	1,746
Transfers out			(196,840)	(196,840)
TOTAL OTHER FINANCING USES	82,900		(195,094)	(195,094)
NET CHANGE IN FUND BALANCE	$245,310	($7,652)	(101,308)	($93,656)
FUND BALANCES, BEGINNING OF YEAR			1,522,789	
FUND BALANCES, END OF YEAR			$1,421,481	

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

CITY OF SUTTER CREEK
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	Major Enterprise Fund
	Wastewater Fund
ASSETS	
CURRENT ASSETS	
Cash and investments (Note 2)	$3,417,023
Accounts receivable, net	87,712
TOTAL CURRENT ASSETS	3,504,735
NONCURRENT ASSETS	
Capital assets (Note 4):	
Non-depreciable	862,563
Depreciable - net	2,167,200
TOTAL NONCURRENT ASSETS	3,029,763
TOTAL ASSETS	6,534,498
DEFERRED OUTFLOWS OF RESOURCES	
Pension related (Note 8)	1,004,118
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,004,118
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	58,084
Accrued liabilities	24,899
Interest payable	85,318
Deposits payable	4,543
Compensated absences, due in less than one year (Note 1G)	7,851
Long-term debt, due in less than one year (Note 5)	25,000
TOTAL CURRENT LIABILITIES	205,695
NONCURRENT LIABILITIES	
Compensated absences, due in more than one year (Note 1G)	14,027
Long-term debt, due in more than one year (Note 5)	406,000
Net pension liability (Note 8)	1,192,751
TOTAL NONCURRENT LIABILITIES	1,612,778
TOTAL LIABILITIES	1,818,473
DEFERRED INFLOWS OF RESOURCES	
Pension related (Note 8)	36,782
TOTAL DEFERRED INFLOWS OF RESOURCES	36,782
NET POSITION	
Net investment in capital assets	2,598,763
Unrestricted	3,084,598
TOTAL NET POSITION	$5,683,361

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

CITY OF SUTTER CREEK
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Major Enterprise Fund
	Wastewater Fund
OPERATING REVENUES	
Service charges	$2,423,763
TOTAL OPERATING REVENUES	2,423,763
OPERATING EXPENSES	
Salaries and benefits	1,539,407
Operation and maintenance	776,595
Depreciation (Note 4)	82,024
TOTAL OPERATING EXPENSES	2,398,026
OPERATING INCOME (LOSS)	25,737
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental	203,161
Loan forgiveness (Note 5)	450,000
Interest income	62,410
Interest expense	(20,475)
TOTAL NONOPERATING REVENUES (EXPENSES)	695,096
Change in net position	720,833
BEGINNING NET POSITION	4,962,528
ENDING NET POSITION	$5,683,361

See accompanying notes to financial statements

CITY OF SUTTER CREEK
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Wastewater Fund
Cash Flows from Operating Activities:	
Cash received from customers	$2,373,654
Cash paid to suppliers	(794,996)
Cash paid to employees and related benefits	(1,161,562)
Cash Flows from Operating Activities	417,096
Cash Flows from Capital and Related Financing Activities	
Capital asset acquisition	(802,698)
Capital asset deletion	
Loan forgiveness (Note 5)	450,000
Debt principal paid	(86,100)
Interest paid	(20,475)
Cash Flows from Capital and Related Financing Activities	(459,273)
Cash Flows from Investing Activities	
Interest received	61,669
Cash Flows from Investing Activities	61,669
Increase in cash and cash equivalents	19,492
Cash and cash equivalents, beginning of year	3,397,531
Cash and cash equivalents, end of year	$3,417,023
Reconciliation of Net Operating Income to cash provided by operating activities:	
Operating income	$25,737
Adjustments to reconcile net operating loss to cash provided by operating activities:	
Depreciation	82,024
(Decrease) increase in due to retirement system	376,761
(Increase) decrease in assets:	
Accounts receivable	(50,109)
(Decrease) increase in liabilities:	
Accounts payable	(18,401)
Accrued compensated absences	1,084
Cash Flows from Operating Activities	$417,096

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

CITY OF SUTTER CREEK
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	Custodial Funds
ASSETS	
Cash and investments (Note 2)	$4,278
Prepaid expenses	1,500
Total Assets	5,778
LIABILITIES	
Accounts payable	3,518
Due to other governments	10,531
Total Liabilities	14,049
NET POSITION (DEFICIT)	
Restricted for organizations and other governments	(8,271)
Total Net Position (Deficit)	($8,271)

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

CITY OF SUTTER CREEK
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Funds
ADDITIONS:	
Interest and investment income	$927
Charges for services	742,523
Other revenue	70
TOTAL ADDITIONS	743,520
DEDUCTIONS:	
Operations	730,837
Utilities	1,495
Repairs and maintenance	1,635
Supplies	689
Professional services	9,965
TOTAL DEDUCTIONS	744,621
CHANGE IN NET POSITION	(1,101)
NET POSITION, BEGINNING OF YEAR	(7,170)
NET POSITION (DEFICIT), END OF YEAR	($8,271)

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

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Sutter Creek (City) was incorporated in 1913, under the laws and regulations of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, sewer, culture-recreation, public improvements, planning and zoning, and general administrative services. The voters of the City give authority and responsibility for operations to the City Council. The City Council has the authority to employ administrative and support personnel to carry out its directives. The primary method used to monitor the performance of the City's management is the financial budget, which is adopted annually by the City Council.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. GASB issues a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements.

Reporting Entity: The City operates as a self-governing local government unit within the State of California. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. Voters elect a City Council that passes laws and determines broad policies. The Council also oversees the operations of the City and approves all budgets, fund transfers and fund balance reserves. The City's main funding sources include property taxes, sales taxes, other intergovernmental revenue from State and federal sources, user fees, and federal and state financial assistance.

Government-wide and Fund 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The 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. Certain indirect costs are included in the program expenses of most business-type activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The accounts of the City are organized on the basis of funds. A fund is a separate self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the last is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Measurement Focus, Basis of Accounting and Basis of Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

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 be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period with the exception of grant-related government voluntary nonexchange revenue. The City considers grant related government voluntary nonexchange revenues to be available if they are collected within 365 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Major revenues that are determined to be susceptible to accrual include property taxes and assessments, sales taxes, franchise taxes, charges for services, intergovernmental revenues, and earnings on investments. Sales taxes collected and held by the State at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues (government mandated nonexchange transactions) are recognized when the City has satisfied all applicable eligibility requirements and if the amounts are measurable. If the grant funds are received before the revenue recognition criteria are satisfied, the unearned amounts are reported as unearned revenue.

The City reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

FEMA Special Revenue Fund – The FEMA Special Revenue Fund is used to account for FEMA-funded repairs and project costs.

Capital Improvements Capital Projects Fund – The Capital Improvements Capital Projects Fund is used to account for the planning and construction of various Sutter Creek capital projects.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the City reports the following fund types:

GOVERNMENTAL FUNDS

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (not including private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

PROPRIETARY FUNDS

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the City's enterprise fund is charges to customers or other funds for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Enterprise Fund – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City reports the following major enterprise fund:

Wastewater Fund – The Wastewater Operations Fund is used to account for sewer collection system and pollution control plant operations including major repair and replacement of the City's pollution control plant facilities.

FIDUCIARY FUNDS

The City reports the following type of Fiduciary Funds:

Custodial Funds – Custodial Funds account for assets held by the City in a purely custodial capacity. Custodial Funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Cash and Cash Equivalents: The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including the City's investment in the California Local Agency Investment Fund (LAIF). Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost.

C. Interfund Balances: Transactions between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Eliminations have not been made between or within the fund types.

D. Property Taxes: The County of Amador (the County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The City recognizes property taxes when the individual installments are due provided, they are collected within 90 days after year end. Secured property taxes are levied on or before January 1 of each year. They become a lien on real property on January 1. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, costs and interest when paid. These taxes are secured by liens on the property being taxed.

The term "unsecured" refers to taxes on personal property other than land and buildings. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the "Teeter Plan," as prescribed by Section 4717 of the California Revenue and Taxation Code. Therefore, the City receives 100% of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

These taxes are accrued as intergovernmental receivables only if they are received from the County within 90 days after year end for the governmental funds and are accrued when earned for government-wide presentation regardless of the timing of the related cash flows.

The City has provided an allowance for doubtful accounts of $0 at June 30, 2024.

E. Capital Assets: Capital assets for governmental fund types of the City are capitalized in the funds used to acquire or construct them. Capital acquisitions are to be reflected as expenditures in the governmental fund, and the related assets are to be reported in the government-wide financial statements at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the additions to capital assets. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 to 40 years
Infrastructure	30 years
Wastewater facilities and treatment plant	20 to 40 years
Machinery and equipment	5 to 20 years

It is the policy of the City to capitalize all land, buildings, improvements, equipment, and infrastructure assets, except assets costing less than $5,000. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the amounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related proprietary fund. In governmental funds, the sale of general capital assets is included in the Statement of Revenues, Expenditures and Changes in Fund Balances as proceeds from sale. The proceeds reported in the governmental fund are eliminated and the gain or loss on sale is reported in the government-wide presentation.

F. Unearned and Unavailable Revenues: Unearned revenues arise when resources are received by the City before it has legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenditures). Unavailable revenues in governmental funds arise when a potential revenue source does not meet both the "measurable" and "available" criteria for recognition in the current period. Revenues considered unavailable because they were not received in the availability period are recognized for the government-wide presentation.

G. Compensated Absences: It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time off and administrative leave. Vacation is accrued when incurred in the government-wide presentation and in the proprietary funds and reported as a fund liability. Amounts that are expected to be liquidated with expendable available financial resources, (i.e., as a result of employee resignations or retirements that are currently payable) are reported as expenditures and a fund 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 presentation. No expenditure is reported in the governmental fund financial statements for these amounts. The General Fund and Wastewater Fund are used to liquidate compensated absences.

The changes of the compensated absences during the fiscal year ended June 30, 2024 were as follows:

	Balance June 30, 2023	Additions	Payments	Balance June 30, 2024	Due Within One Year
Governmental Activities	$37,831	$43,803	($35,308)	$46,326	$16,388
Business-Type Activities	20,794	24,430	(23,346)	21,878	7,851
Total	$58,625	$68,233	($58,654)	$68,204	$24,239

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Long-term Obligations: Long-term debt of governmental funds are reported at face value in the government-wide financial statements and represent a reconciling item between the fund and government- wide presentation. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide financial statements and represent a reconciling item between the fund and government-wide presentation. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, proceeds from borrowing are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

I. Deferred Inflows and Deferred Outflows of Resources: In addition to assets, the Statement of Net Position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

J. Leases: A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes leases with an initial, individual value of $50,000 or more.

K. Subscription-Based Information Technology Arrangements (SBITA): A Subscription-Based Information Technology Arrangements (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange-like transaction. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

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

M. Budgetary Information: The City Council annually adopts the budget resolution for all operating funds of the City. Budgetary control is legally maintained at the fund level. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year. Amounts shown in the financial statements represent the original budgeted amounts and all supplemental appropriations. The supplemental appropriations were immaterial. The budgetary data is prepared on the modified accrual basis consistent with the related "actual" amounts. The City does not use encumbrance accounting.

Except for the General Fund and the Gas Tax, Streets & Sidewalks Special Revenue Fund, all other special revenue and capital project funds are not budgeted. As of June 30, 2024, expenditures in the General Fund and Gas Tax, Streets & Sidewalks Special Revenue Fund, exceeded appropriations in the amounts of $40,677 and $76,982, respectively.

Deficit Fund Equity: The following funds have fund deficits at June 30, 2024:

	Amount
FEMA Major Fund	$123,191
Capital Improvements Major Fund	259,895
Cemetery Special Revenue Fund	192
Monteverde Store Fund	2,200
Knights Foundry Fund	6,114
Amador Regional Sanitary District Fund	52,681

N. New and Closed Funds: During fiscal year ended June 30, 2024, the City closed the Amador Regional Sanitary District Fiduciary Fund.

O. New Governmental Accounting Standards Board (GASB) Pronouncements: Management adopted the provisions of the following GASB Statements, which became effective during the year ended June 30, 2024:

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, Accounting for Changes and Error Corrections. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement is effective for reporting periods beginning after June 15, 2023, or the fiscal year 2023-24. The provisions of this Statement were implemented during fiscal year 2024. The implementation had no effect on the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fair Value Measurements: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

NOTE 2 – CASH AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds. Cash represents cash on hand, demand deposits in the bank and investments. Cash and investments at June 30, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments of the City	$5,702,123
Cash and investments in Fiduciary Funds (separate statement):	
Cash and investments	4,278
Total cash and investments	$5,706,401

Cash and investments as of June 30, 2024 consisted of the following:

Cash on hand	$800
Deposits with financial institutions	913,617
Investments	4,791,984
Total cash and investments	$5,706,401

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investment Policy: California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	2 Years	None	None
U.S. Agency Securities	2 Years	50%	None
Local Agency Bonds	2 Years	50%	None
Certificates of Deposit	2 Years	50%	None
Investment Pool	N/A	None	None
(LAIF)	N/A	None	None

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. The City's investment in the California Local Agency Investment Fund (LAIF) has an average maturity of 217 days.

Investment	Total	Remaining Maturity (in Months) 12 Months or Less
Money Market Fund	$3,133,566	$3,133,566
LAIF	1,658,418	1,658,418
	$4,791,984	$4,791,984

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of the City's cash on deposit. All of the City's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in the City's name.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investment in LAIF: The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain State funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

Investment	Minimum Legal Rating	Not Rated	Total
Money Market Fund	AAAm		$3,133,566
LAIF	N/A	$1,658,418	1,658,418
		$1,658,418	$4,791,984

Fair Value Hierarchy: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Local Agency Investment Fund and money market fund are classified as exempt in the fair value hierarchy, as they are valued at amortized cost, which is exempt from being classified under GASB 72.

NOTE 3 – INTERFUND TRANSACTIONS

All due to/from other funds represent temporary loans from one fund to another to cover cash flow shortfalls and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2024, the City had the following interfund balances:

Due To	Due From	Amount Owed
General Fund	**FEMA Fund**	$123,191
	Capital Improvements Fund	253,806
		$376,997

NOTE 3 – INTERFUND TRANSACTIONS (Continued)

The City had the following transfers in/out for the year ended June 30, 2024:

Fund Making Transfer	Fund Receiving Transfer	Amount Transferred	
General Fund	Non-Major Sepecial Revenue Funds	$196,840	(a)
FEMA Special Revenue Fund	General Fund	1,746	(a)
		$198,586	

(a) Year-end transfers.

NOTE 4 – CAPITAL ASSETS

Governmental activities capital assets activities for the year ended June 30, 2024 was as follows:

	Balance at June 30, 2023	Additions & Adjustments	Transfers	Balance at June 30, 2024
Governmental Activities				
Capital assets, not being depreciated:				
Land	$1,714,761			$1,714,761
Construction in progress	250,826	$252,250	($349,588)	153,488
Total capital assets, not being depreciated	1,965,587	252,250	(349,588)	1,868,249
Capital assets, being depreciated:				
Buildings and improvements	4,452,780			4,452,780
Infrastructure	15,595,448		349,588	15,945,036
Machinery and equipment	470,357			470,357
Total capital assets being depreciated	20,518,585		349,588	20,868,173
Less accumulated depreciation for:				
Buildings and improvements	(3,627,661)	(38,474)		(3,666,135)
Infrastructure	(2,020,809)	(479,407)		(2,500,216)
Machinery and equipment	(483,242)	(32,917)		(516,159)
Total accumulated depreciation	(6,131,712)	(550,798)		(6,682,510)
Capital assets being depreciated, net	14,386,873	(550,798)	349,588	14,185,663
Governmental Activities capital assets, net	$16,352,460	($298,548)		$16,053,912

The City's depreciation expense is charged to the Public Works function in the amount of $550,798 for governmental activities.

NOTE 4 – CAPITAL ASSETS (Continued)

Business-type capital assets activities for the year ended June 30, 2024 was as follows:

	Balance at June 30, 2023	Additions	Deletions & Adjustments	Balance at June 30, 2024
Business-type Activities				
Capital assets, not being depreciated:				
Land	$596,362			$596,362
Construction in progress	185,111	$81,090		266,201
Total capital assets, not being depreciated	781,473	81,090		862,563
Capital assets, being depreciated:				
Buildings and improvements	328,791			328,791
Wastewater facilities	2,611,681	763,393		3,375,074
Sewer treatment plant	1,906,631	8,245		1,914,876
Machinery and equipment	195,001	31,060		226,061
Total capital assets being depreciated	5,042,104	802,698		5,844,802
Less accumulated depreciation for:				
Buildings and improvements	(328,791)			(328,791)
Wastewater facilities	(1,748,616)	(69,618)		(1,818,234)
Sewer treatment plant	(1,318,007)	(12,406)		(1,330,413)
Machinery and equipment	(177,686)	(22,478)		(200,164)
Total accumulated depreciation	(3,573,100)	(104,502)		(3,677,602)
Capital assets being depreciated, net	1,469,004	698,196		2,167,200
Business-type Activities capital assets, net	$2,250,477	$779,286		$3,029,763

The City's depreciation expense is charged to the Wastewater program in the amount of $104,500 for business-type activities.

NOTE 5 – LONG-TERM DEBT

	Balance June 30, 2023	Retirements	Balance June 30, 2024	Due Within One Year
Business-Type Activities - Direct borrowings:				
Loans Payable				
U.S. Department of Agriculture	$455,000	($24,000)	$431,000	$25,000
Amador Regional Sanitation Authority	450,000	(450,000)		
Total Business-type Activity Debt	$905,000	($474,000)	$431,000	$25,000

U.S. Department of Agriculture (USDA) Loans Payable: The City's Wastewater Enterprise Fund has a loan payable to the USDA Rural Development Program to finance certain capital improvements to the City's sewer collection system. Principal payments are due annually on May 1. Interest payments, at an interest rate of 4.5%, are due semi-annually on November 1 and May 1. The loan matures May 2037, and the source of repayment is the Wastewater Enterprise Fund. The scheduled annual minimum debt service requirements at June 30, 2024 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$25,000	$19,396	$44,396
2026	26,000	18,270	44,270
2027	27,000	17,100	44,100
2028	29,000	15,886	44,886
2029	30,000	14,580	44,580
2030-2034	171,000	51,436	222,436
2035-2037	123,000	11,252	134,252
	$431,000	$147,920	$578,920

Amador Regional Sanitation Authority (ARSA) Loans Payable: The City participates as one of three members of the Amador Regional Sanitation Authority (ARSA). This joint powers authority, comprised of the City of Sutter Creek, the City of Amador City and the County of Amador, serves its members by facilitating and acquiring items needed for the disposal and discharging of treated effluent generated by its member agencies. A five member board, consisting of two County Supervisors, two Sutter Creek City Councilmembers and one Amador City Councilmember, holds regularly scheduled monthly meetings.

In March 2006, the City of Sutter Creek and ARSA jointly funded the acquisition of an easement costing $750,000. The easement provides for the eventual delivery of effluent (pipeline easement) to a spray field for the discharging of partially treated effluent. These facilities are to provide additional effluent disposal areas for ARSA. The timing of this development is unknown at this time (see Note 10 disclosure on developer agreement). The agreement with ARSA calls for the construction of a pipeline along the easement and for the proper discharge of effluent once the Gold Rush Golf development occurs. The City's agreement with Gold Rush Golf calls for the construction of the pipeline by the developer.

NOTE 5 – LONG-TERM DEBT (Continued)

The City provided $300,000 of the funding of the easement while ARSA provided the remaining $450,000. The purchase agreement calls for the City to reimburse ARSA the principal of $450,000, plus interest at the State Treasurer's LAIF rate. Principal amounts were originally scheduled as follows:

$50,000 due on June 30, 2008
$50,000 due on June 30, 2009
$50,000 due on June 30, 2010
$100,000 due on June 30, 2011
$100,000 due on June 30, 2012
$100,000 due on June 30, 2013

Since the existing ARSA system is adequate at this time and economic conditions currently exist preventing the development of the Gold Rush Golf development, the pipeline and spray field easement is not needed. For this reason, the City requested a delay from ARSA in the repayment schedule. The most recent deferral approved by ARSA grants the City a delay until June 2024. On November 30, 2022, ARSA Governing Board approved an extension of the commencement date of repayment of interest and principal to begin on June 30, 2024.

On February 15, 2024, the Board of Directors of ARSA voted to initiate the process of dissolving ARSA, with the City of Sutter Creek as the successor organization. As part of the dissolution process, the Board has agreed to forgive the $450,000 loan that ARSA made to the City, including all accrued interest. It is the intent that the City will become the successor organization with customer agreements put in place with Amador Water Agency and Amador City, the two other members of the ARSA Joint Powers Agency. The City will accept any liabilities associated with the successor agreement. On March 26, 2024, the City and ARSA executed a Loan Discharge Agreement, formally discharging the City from all repayment obligations related to the loan.

NOTE 6 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. General Information about the City's Other Post Employment Benefit (OPEB) Plan

Plan Description – The City's Post Employment Benefit Plan is a single employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75. For employees who retired prior to July 1, 2012, and employees hired before July 1, 2012 who subsequently retire from City service, the City will contribute $105 per month toward retiree medical premiums for those retirees enrolled in the City-sponsored medical plan. Employees hired on or after July 1, 2012 are not eligible for other post-employment benefits (OPEB). The OPEB program is closed to new retirees; only the three current retirees receiving benefits are eligible to continue receiving this stipend.

Benefits Provided – The only OPEB provided is a $105 monthly stipend applied toward the cost of retiree health coverage. This benefit level has not been increased in many years and is not intended or expected to ever be increased in the future. The current eligible retirees are eligible to remain covered under the medical plan offered by the City to its active employees until reaching age 65. Subsequently, the retiree is required to find other healthcare coverage. The City will continue the stipend so long as the retiree remains covered for the balance of his or her lifetime. Benefits end upon the retiree's death. No survivor benefits are payable.

For the year ended June 30, 2024, the City's contributions to the Plan were $3,780.

NOTE 6 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Employees Covered by Benefit Terms **–** Membership in the plan consisted of the following at the measurement date of June 30, 2024:

Active employees	-
Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Total	3

B. Total OPEB Liability

Actuarial Methods and Assumptions **–** The City's total OPEB liability was measured as of June 30, 2022 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2022 to determine the $40,271 total OPEB liability as of June 30, 2024, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2022
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Asset Valuation	Market Value
Discount Rate	3.65%
General Inflation Rate	2.50%
Assumed Wage Inflation	Not applicable
Payroll Growth	Not applicable
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2010
Employer Cost Sharing	No increase in the $105 monthly stipend amount

The discount rate was based on the Bond Buyer GO 20 index. As of the June 30, 2024, Measurement Date, use of this index results in a discount rate of 3.65%.

The basic mortality rates are used in this valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019, adjusted for a different basis used to project future mortality improvements. Representative mortality rates were those published by CalPERS rates, then projected on a generational basis by Macleod Watts Scare 2022.

NOTE 6 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. Changes in Total OPEB Liability

The changes in the total OPEB liability follows:

	Total OPEB Liability
Balance at June 30, 2023	$42,566
Changes Recognized for the Measurement Period:	
Service cost	-
Interest on the total OPEB liability	1,485
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Contributions from the employer	-
Benefit payments	(3,780)
Net changes	(2,295)
Balance at June 30, 2024	$40,271

D. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

Total OPEB Liability		
Discount Rate -1% (2.65%)	Current Discount Rate (3.65%)	Discount Rate +1% (4.65%)
$43,989	$40,271	$37,024

Benefits payable in this plan are not dependent on healthcare trend.

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of ($2,295), and did not report any deferred outflows and inflows of resources related to OPEB.

NOTE 7 – NET POSITION AND FUND BALANCE

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 comprise prepaid items and long-term receivables. The City does not have any nonspendable funds.

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.

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. These amounts cannot be used for any other purpose unless the City Council modifies or removes the fund balance 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.

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

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

Net Position: The government-wide financial statements utilize a net position presentation. Net Position is categorized as follows:

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

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

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

NOTE 7 – NET POSITION AND FUND BALANCE (Continued)

The following are the components of the Governmental Funds fund balances at June 30, 2024:

Fund Balance Classifications	General Fund	FEMA Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:					
Street and bridge projects				$448,276	$448,276
Public safety projects				15,415	15,415
Housing				187,796	187,796
Community projects				356,048	356,048
Total Restricted				1,007,535	1,007,535
Unassigned	$1,421,481	($123,191)	($259,895)	7,826	1,046,221
Total Fund	$1,421,481	($123,191)	($259,895)	$1,015,361	$2,053,756

The City has continued its approach when budgeting to set aside for future projects and unforeseen circumstances. To that end, the City set aside 3% of its General Fund revenues this fiscal year to General Operating Reserves. The balance as of June 30, 2024 is $105,322. The City also put 4% of its General Fund revenues to General Capital Reserves which has a balance of $50,573 as of June 30, 2024. Finally, the City set aside 1% of its General Fund revenue to General Savings. At June 30, 2024, the balance is $73,377.

NOTE 8 – PENSION PLAN

General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police) and Miscellaneous (all other) Employee Pension Rate Plans. The City's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTE 8 – 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 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect on June 30, 2024 are summarized as follows:

	City Miscellaneous Plan	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 3.0%	1.0% to 2.5%
Required employee contribution rates	7.81%	7.75%
Required employer contribution rates	16.51%	7.87%

	City Safety Plan	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2.0% to 2.7%
Required employee contribution rates	8.99%	13.75%
Required employer contribution rates	25.86%	13.76%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was $331,077 in fiscal year 2024.

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

NOTE 8 – PENSION PLAN (Continued)

For the year ended June 30, 2024, the contributions recognized as part of pension expense for the Plan were as follows:

	Contributions - Employer
City Safety Plan	$232,844
City Miscellaneous Plan	244,874
Total Contributions - Employer	$477,718

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
City Safety Plan	$2,335,485
City Miscellaneous Plan	2,435,518
Total Net Pension Liability	$4,771,003

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

	City Safety Plan
Proportion - June 30, 2022	0.03117%
Proportion - June 30, 2023	0.03124%
Change - Increase (Decrease)	0.00007%

	City Miscellaneous Plan
Proportion - June 30, 2022	0.04866%
Proportion - June 30, 2023	0.04871%
Change - Increase (Decrease)	0.00005%

NOTE 8 – PENSION PLAN (Continued)

For the year ended June 30, 2024, the City recognized negative pension expense of $1,577,176. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$477,718	
Differences between actual and expected experience	295,887	($33,979)
Differences between actual and proportional contributions	20,516	(93,906)
Changes in assumptions	283,345	
Net difference between projected and actual earnings on pension plan investments	713,943	
Adjustments due to differences in proportion	2,225,061	(19,242)
Total	$4,016,470	($147,127)

$477,718 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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	Annual Amortization
2025	$1,638,759
2026	1,166,406
2027	566,224
2028	20,236
Total	$3,391,625

NOTE 8 – PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2023, the total pension liabilities were determined by rolling forward the June 30, 2022, total pension liability. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

	All Plans
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	6.80% (2)
Mortality (1)	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.
(2) Net of pension plan investment and administrative expenses; includes inflation
(3) All of the City's plans for miscellaneous and safety employed the same assumptions

Change of Assumptions – For the measurement date of June 30, 2023, the inflation rate was 2.30%.

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

NOTE 8 – PENSION PLAN (Continued)

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

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

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

Asset Class[1]	Assumed asset allocation	Real Return Years 1 - 10[2]
Global Equity - Cap weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

[1] An expected inflation rate of 2.30% used for this period.

[2] Figures are based on the 2021 Asset Liability Management Study.

NOTE 8 – PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	City Safety Plan
1% Decrease	5.90%
Net Pension Liability	$3,395,318
Current Discount Rate	6.90%
Net Pension Liability	$2,335,485
1% Increase	7.90%
Net Pension Liability	$1,468,996

	City Miscellaneous Plan
1% Decrease	5.90%
Net Pension Liability	$3,529,677
Current Discount Rate	6.90%
Net Pension Liability	$2,435,518
1% Increase	7.90%
Net Pension Liability	$1,534,929

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

NOTE 9 – INSURANCE

The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA). CSJVRMA is a joint powers authority organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide liability insurance. CSJVRMA provides claims processing administrative services, risk management services and actuarial studies. The City Council does not have significant oversight responsibility, since they evenly share all factors of responsibility with other agencies. The City does not retain the risk of loss. However, ultimate liability for payment of claims and insurance premiums resides with member agencies. CSJVRMA is empowered to make supplemental assessments as needed to eliminate deficit positions of member agencies. If CSJVRMA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance. CSJVRMA establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The audited financial statements of the CSJVRMA are available at the CSJVRMA's office.

The City's insurance coverage and the respective coverage providers are as follows:

Amount	Coverage Provider	Payment Source
LIABILITY CLAIMS		
$10,000	Self Insurer	City funds
$10,001 - $1,000,000	Central San Joaquin Valley Risk Management Authority	Shared risk pool
WORKERS COMPENSATION:		
$10,000	Self Insurer	City funds
$10,001 - $500,000	Central San Joaquin Valley Risk Management Authority	Shared risk pool
PROPERTY COVERAGE:		
$5,000	Self Insurer	City funds
$5,001 - $100,000	Central San Joaquin Valley Risk Management Authority	Shared risk pool
AUTO PHYSICAL DAMAGE/LOW VALUE VEHICLE:		
$500	Self Insurer	
$501 - $25,000 per loss	Central San Joaquin Valley Risk Management Authority	Shared risk pool

There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Also, settled claims have not exceeded insurance coverage for the past three fiscal years.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions, when finally adjudicated, will not have a material adverse effect on the financial condition of the City.

The City participates in a number of Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government.

Contractual Arrangements: During the course of normal business the City enters into a variety of contractual arrangements for services and supplies. As of the balance sheet date the amount of these contractual arrangements total $212,842 for various vendors.

REQUIRED SUPPLEMENTARY INFORMATION

Cost-Sharing Multiple-Employer Defined Pension Plan
Last 10 Years

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE

	City - Miscellaneous Plan			
Measurement date	**6/30/2014**	**6/30/2015**	**6/30/2016**	**6/30/2017**
Plan's proportion of the Net Pension Liability (Asset)	0.02113%	0.05285%	0.05055%	0.04949%
Plan's proportion share of the Net Pension Liability (Asset)	$1,314,608	$1,449,891	$1,756,085	$1,950,973
Plan's Covered Payroll	$324,968	$299,794	$467,495	$482,527
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	370.99%	483.63%	375.64%	404.32%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.99%	75.77%	71.43%	70.41%
Plan's Proportionate Share of Aggregate Employer Contributions	$125,929	$158,803	$172,817	$175,493

	City - Safety Plan			
Measurement date	**6/30/2014**	**6/30/2015**	**6/30/2016**	**6/30/2017**
Plan's proportion of the Net Pension Liability (Asset)	0.01528%	0.03124%	0.02608%	0.02608%
Plan's proportion share of the Net Pension Liability (Asset)	$950,642	$1,069,197	$1,069,197	$1,558,095
Plan's Covered Payroll	$352,448	$364,745	$269,693	$272,978
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	217.54%	293.14%	396.45%	570.78%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78.13%	77.37%	73.34%	73.03%
Plan's Proportionate Share of Aggregate Employer Contributions	$96,145	$103,268	$113,766	$112,938

City - Miscellaneous Plan

6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
0.04967%	0.04890%	0.04812%	0.06579%	0.04866%	0.04871%
$1,871,958	$1,958,241	$2,029,947	$1,249,207	$2,276,883	$2,435,518
$507,853	$473,834	$324,503	$527,385	$629,749	$629,749
368.60%	413.28%	625.56%	236.87%	361.55%	386.74%
71.77%	71.09%	71.20%	82.81%	70.07%	69.90%
$197,774	$224,844	$181,681	$209,432	$231,367	$244,874

City - Safety Plan

6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
0.02668%	0.02710%	0.02789%	0.03348%	0.03117%	0.03124%
$1,565,646	$1,692,003	$1,857,834	$1,174,863	$2,142,141	$2,335,485
$349,806	$323,592	$314,220	$361,808	$300,933	$300,933
447.58%	522.88%	591.25%	324.72%	711.83%	776.08%
74.73%	74.88%	72.50%	82.52%	69.82%	69.77%
$130,533	$167,177	$193,137	$201,184	$221,811	$232,844

Cost-Sharing Multiple Employer Defined Pension Plan
Last 10 Years
SCHEDULE OF CONTRIBUTIONS

	City Miscellaneous Plan			
Fiscal year	**2015**	**2016**	**2017**	**2018**
Actuarially determined contribution	$125,929	$158,803	$172,817	$175,493
Contributions in relation to the actuarially determined contributions	(125,929)	(158,803)	(172,817)	(175,493)
Contribution deficiency (excess)	$0	$0	$0	$0
Covered payroll	$299,794	$467,495	$482,527	$507,853
Contributions as a percentage of covered payroll	42.01%	33.97%	35.81%	34.56%

	City Safety Plan			
Fiscal year	**2015**	**2016**	**2017**	**2018**
Actuarially determined contribution	$96,145	$103,268	$113,766	$112,938
Contributions in relation to the actuarially determined contributions	(96,145)	(103,268)	(113,766)	(112,938)
Contribution deficiency (excess)	$0	$0	$0	$0
Covered payroll	$364,745	$269,693	$272,978	$349,806
Contributions as a percentage of covered payroll	26.36%	38.29%	41.68%	32.29%

Current methods and assumptions used to determine contribution rates:

Measurement Date:	June 30, 2023
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	5-year smoothed market
Discount Rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Investment rate of return	6.80%, net of pension plan investment expense, including inflation
Retirement age	50 & 52 yrs. Misc., 50 yrs. Safety
Mortality	The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

City Miscellaneous Plan

2019	2020	2021	2022	2023	2024
$197,774	$224,844	$181,681	$209,432	$231,367	$244,874
(197,774)	(224,844)	(181,681)	(209,432)	(231,367)	(244,874)
$0	$0	$0	$0	$0	$0
$473,834	$324,503	$527,385	$629,749	$505,851	$742,789
41.74%	69.29%	34.45%	33.26%	45.74%	32.97%

City Safety Plan

2019	2020	2021	2022	2023	2024
$130,533	$167,177	$193,137	$201,184	$221,811	$232,844
(130,533)	(167,177)	(193,137)	(201,184)	(221,811)	(232,844)
$0	$0	$0	$0	$0	$0
$323,592	$314,220	$361,808	$300,933	$298,606	$355,418
40.34%	53.20%	53.38%	66.85%	74.28%	65.51%

Section 9, Item A.

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 fiscal years*

Measurement Date	**6/30/2018**	**6/30/2019**	**6/30/2020**	**6/30/2021**	**6/30/2022**	**6/30/2023**	**6/30/2023**
Total OPEB Liability (1)							
Service Cost							
Interest	$1,882	$1,831	$1,807	$1,656	$1,067	$1,008	$1,485
Changes of benefit terms							
Differences between expected and actual experience				1,553		1,435	
Changes of assumptions				7,386		(4,661)	
Benefit payments	(3,780)	(3,780)	(3,780)	(3,780)	(3,780)	(3,780)	(3,780)
Net change in total OPEB liability	(1,898)	(1,949)	(1,973)	6,815	(2,713)	(5,998)	(2,295)
Total OPEB liability - beginning	50,282	48,384	46,435	44,462	51,277	48,564	42,566
Total OPEB liability - ending	$48,384	$46,435	$44,462	$51,277	$48,564	$42,566	$40,271
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

(1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

* Fiscal year 2018 was the first year of implementation, therefore only seven years are shown.

SCHEDULE OF CONTRIBUTIONS

Last 10 fiscal years*

Fiscal Year Ended June 30,	2018	2019	2020	2021	2022	2023	2024
Actuarially required contribution	$3,780	$3,780	$3,780	$3,780	$3,780	$3,780	$3,780
Contributions in relation to the actuarially required contributions	3,780	3,780	3,780	3,780	3,780	3,780	3,780
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0
Covered payroll	$0	$0	$0	$0	$0	$0	$0

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Asset Valuation	Market Value
Discount Rate	3.65%
General Inflation Rate	2.50%
Assumed Wage Inflation	Not applicable
Payroll Growth	Not applicable
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2010
Employer Cost Sharing	No increase in the $105 monthly stipend amount

* Fiscal year 2018 was the first year of implementation, therefore only seven years are shown.

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SUPPLEMENTARY INFORMATION

CITY OF SUTTER CREEK
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024

	SPECIAL REVENUE FUNDS				
	Gas Tax, Streets & Sidewalks Fund	Crestview Lighting District Fund	Cemetery Fund	HOME Grant Fund	AB 1600 Fund
ASSETS					
Cash and investments	$216,769	$4,745		$187,796	$182,452
Accounts receivable		2,191			
Due from other governments	12,309				
TOTAL ASSETS	$229,078	$6,936		$187,796	$182,452
LIABILITIES					
Accounts payable	$99,354	$131	$192		
Deposits payable					
TOTAL LIABILITIES	99,354	131	192		
FUND BALANCE (DEFICIT)					
Restricted	129,724	6,805		$187,796	$182,452
Unassigned			(192)		
TOTAL FUND BALANCES (DEFICIT)	129,724	6,805	(192)	187,796	182,452
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	$229,078	$6,936		$187,796	$182,452

SPECIAL REVENUE FUNDS						
Police Grants Funds	Community Center Grants Fund	Local Rec. Fees Fund	Broad Street Drain Fund	Traffic Mitigation Fund	Planning Grants Fund	Total Nonmajor Governmental Funds
$15,415	$14,766	$111,546	$1,239	$371,801	$55,245	$1,161,774
						2,191
						12,309
$15,415	$14,766	$111,546	$1,239	$371,801	$55,245	$1,176,274
	$6,423					$106,100
	325			$54,488		54,813
	6,748			54,488		160,913
$15,415		$111,546	$1,239	317,313	$55,245	1,007,535
	8,018					7,826
15,415	8,018	111,546	1,239	317,313	55,245	1,015,361
$15,415	$14,766	$111,546	$1,239	$371,801	$55,245	$1,176,274

CITY OF SUTTER CREEK
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS				
	Gas Tax, Streets & Sidewalks Fund	Crestview Lighting District Fund	Cemetery Fund	HOME Grant Fund	AB 1600 Fund
GOVERNMENTAL REVENUES					
Taxes and special assessments	$215,085				
Licenses, permits and fees	300				
Interest and investment income		$68	($119)	$696	$3,158
Intergovernmental revenues	3,265				
Charges for services		2,491			5,248
Total Revenues	218,650	2,559	(119)	696	8,406
EXPENDITURES					
Current:					
General government					329
Public safety					
Public works and facilities	323,994	1,936	2,004		
Cultural and recreation	31				
Capital outlay	(138,465)				
Total Expenditures	185,560	1,936	2,004		329
OTHER FINANCING SOURCES					
Transfers in	92,432		14,284		
Total Other Financing Sources	92,432		14,284		
NET CHANGE IN FUND BALANCE	125,522	623	12,161	696	8,077
FUND BALANCES (DEFICITS) BEGINNING OF YEAR	4,202	6,182	(12,353)	187,100	174,375
FUND BALANCES (DEFICITS) END OF YEAR	$129,724	$6,805	($192)	$187,796	$182,452

SPECIAL REVENUE FUNDS						
Police Grants Funds	Community Center Grant Fund	Local Rec. Fees Fund	Broad Street Drain Fund	Traffic Mitigation Fund	Planning Grant Fund	Total Nonmajor Governmental Funds
						$215,085
						300
$367	($1,598)	$1,274	$22	$8,921	$187	12,976
						3,265
	80,049	35,708		20,860		144,356
367	78,451	36,982	22	29,781	187	375,982
	43,344					43,673
$1,108						1,108
						327,934
	104,143					104,174
6,658	(11,438)					(143,245)
7,766	136,049					333,644
	90,124					196,840
	90,124					196,840
(7,399)	32,526	36,982	22	29,781	187	239,178
22,814	(24,508)	74,564	1,217	287,532	55,058	776,183
$15,415	$8,018	$111,546	$1,239	$317,313	$55,245	$1,015,361

CITY OF SUTTER CREEK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -
GAS TAX, STREETS & SIDEWALKS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES:			
Taxes and special assessments	$140,000	$215,085	$75,085
Licenses, permits and fees		300	300
Interest and investment income			
Intergovernmental revenues	2,800	3,265	465
TOTAL REVENUES	142,800	218,650	75,850
EXPENDITURES:			
Current:			
Public works and facilities	262,515	323,994	(61,479)
Culture and recreation		31	
Capital outlay		(138,465)	138,465
TOTAL EXPENDITURES	262,515	185,560	76,986
NET CHANGE IN FUND BALANCE	($119,715)	125,522	$245,237
FUND BALANCES BEGINNING OF YEAR		4,202	
FUND BALANCES END OF YEAR		$129,724	

CUSTODIAL FUNDS

CITY OF SUTTER CREEK
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	Monteverde Store Fund	Knights Foundry Fund	Community Facilities District Fund	Amador Regional Sanitary District	Total Custodial Funds
ASSETS					
Cash and investments	$391	$2,917	$970		$4,278
Prepaid expenses		1,500			1,500
TOTAL ASSETS	$391	$4,417	$970		$5,778
LIABILITIES					
Accounts payable	$2,591		$927		$3,518
Due to other governments		$10,531			10,531
TOTAL LIABILITIES	2,591	10,531	927		14,049
NET POSITION (DEFICIT)					
Restricted	(2,200)	(6,114)	43		(8,271)
TOTAL NET POSITION (DEFICIT)	($2,200)	($6,114)	$43		($8,271)

CITY OF SUTTER CREEK
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Monteverde Store Fund	Knights Foundry Fund	Community Facilities District Fund	Amador Regional Sanitary District	Total Custodial Funds
ADDITIONS:					
Donations	$927				$927
Charges for services				$742,523	742,523
Interest and other income		$53	$17		70
TOTAL ADDITIONS	927	53	17	742,523	743,520
DEDUCTIONS:					
Operations	514			730,323	730,837
Utilities	1,225			270	1,495
Repairs and maintenance	35			1,600	1,635
Supplies	224			465	689
Professional services		100		9,865	9,965
TOTAL DEDUCTIONS	1,998	100		742,523	744,621
CHANGE IN NET POSITION	(1,071)	(47)	17		(1,101)
NET POSITION (DEFICIT), BEGINNING OF YEAR	(1,129)	(6,067)	26	-	(7,170)
NET POSITION (DEFICIT), END OF YEAR	($2,200)	($6,114)	$43		($8,271)

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CITY OF SUTTER CREEK
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS

FOR THE YEAR ENDED JUNE 30, 2024

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CITY OF SUTTER CREEK
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS

For The Year Ended JUNE 30, 2024

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MAZE & ASSOCIATES

MEMORANDUM ON INTERNAL CONTROL

To the City Council of
the City of Sutter Creek, California

In planning and performing our audit of the basic financial statements of the City of Sutter Creek, California (City), as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies in internal control included on the Schedule of Significant Deficiencies to be significant deficiencies.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

Management's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, City Council, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
May 23, 2025

Accountancy Corporation
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MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF SIGNIFICANT DEFICIENCIES

2024-01: **Timely and Accurate Year-End Close**

Criteria: The year-end financial closing and preparation of the general ledger data should be completed timely and accurately. Well-managed organizations should develop documented checklists and desk procedures for each of its accounting positions for day-to-day activities, as well as periodic and year-end closing activities of the general ledger. These documents should be sufficiently detailed so that when there are vacancies or turnover within the Finance Department, any temporary or incoming personnel are armed with the tools necessary to ensure accounting processes and procedures continue and allow time for analysis of account balances and activities.

Condition and Cause: Due to the significant staff transition and turnover within the Finance Department, there was a significant strain on the City accounting staff's ability to ensure all account balances were fully analyzed, and closing entries were complete prior to providing the general ledger for the audit. As a result, accounts receivable and payable accruals, interfund transfers and capital assets activities were not sufficiently completed prior to the audit, requiring a substantial amount of post-closing entries to complete the audited financial statements.

Effect: By not having closing procedures well-documented, journal entries and account reconciliations may be missed, leading to accounts being significantly over- or under-stated.

Recommendation: The City should analyze staff resources to determine what plans can or should be made to ensure that the financial data is processed properly and timely during staffing transitions, and time should be invested in documenting the desk procedures and creating checklists for periodic and year-end closing procedures. In addition, the City should develop procedures to ensure that accounts are analyzed throughout the fiscal year and after the year end close to ensure that additional closing entries are not required prior to providing the general ledger for audit.

Management's Response: Management agrees with the comments and is taking steps to make sure year-end financial closing is documented and staff are trained. Once the annual budget is completed, we will also evaluate new financial software management applications in order to move the City to a more modern, easier to use system with better reporting.

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MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

2024-02: Upcoming Governmental Accounting Standards Board (GASB) Pronouncements

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

EFFECTIVE FISCAL YEAR 2024/25:

GASB 101 – *Compensated Absences*

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Recognition And Measurement

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a 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. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. 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.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 101 – *Compensated Absences (Continued)*

Notes To Financial Statements

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

How the Changes in this Statement Will Improve Financial Reporting

The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

GASB 102 – *Certain Risk Disclosures*

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 102 – *Certain Risk Disclosures (Continued)*

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint.
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements.
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

EFFECTIVE FISCAL YEAR 2025/26:

GASB 103 – *Financial Reporting Model Improvements*

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

Management's Discussion and Analysis - This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

Unusual or Infrequent Items - This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 103 – *Financial Reporting Model Improvements (Continued)*

Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position - This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

Budgetary Comparison Information - This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

How the Changes in This Statement Will Improve Financial Reporting

The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A.

The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources.

The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position.

The requirement for presentation of major component unit information will improve comparability.

The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

MAZE & ASSOCIATES

REQUIRED COMMUNICATIONS

To the City Council of
the City of Sutter Creek, California

We have audited the basic financial statements of the City of Sutter Creek (City) for the year ended June 30, 2024. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies - Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year, except as follows:

The following pronouncements became effective, but did not have a material effect on the financial statements:

GASB 100 – ***Accounting for Changes and Error Corrections***

Unusual Transactions, Controversial or Emerging Areas - We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates - Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significances to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- Management's estimate of the net pension liabilities and deferred outflows/inflows of resources are disclosed in Note 8 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

- Management's estimate of the net OPEB liabilities are disclosed in Note 6 to the financial statements and are based on an actuarial study determined by a consultant, which are based on the experience of the City. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

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3478 Buskirk Avenue, Suite 217
Pleasant Hill, CA 94523

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- Management's estimate of depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit. Management and the accounting team were responsive to our inquiries. We did experience some delays in the audit due to the trial balance and audit checklist items that were not completely ready for our pre-confirmed audit schedule, and therefore, we had to reschedule pieces of the audit to be completed as we had availability.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated May 23, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information which accompany the financial statements, but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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This report is intended solely for the information and use of the City Council, and management and is not intended to be and should not be used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
May 23, 2025

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OFFICE OF
BOARD OF SUPERVISORS
810 COURT STREET * JACKSON, CA 95642 (209) 223-6470 * FAX (209) 257-0619

May 29, 2025

Central Valley Regional Water Quality Control Board
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670

Attn: J.J. Baum P.E., Assistant Executive Director

Dear Mr. Baum,

Subject: Request for Immediate Relief to Allow Continued Use of ARSA Recycled Water at Castle Oaks Golf Course

Dear Board Members,

On behalf of the Amador County Board of Supervisors and as a participating member of the Amador Regional Sanitation Authority (ARSA), we respectfully request that the Regional Water Quality Control Board consider granting immediate temporary relief to allow continued disposal of recycled water from the ARSA system onto the Castle Oaks Golf Course in Ione, California.

This practice has been safely and effectively conducted for over four decades, and the water quality has only improved due to recent plant upgrades, including new filtration systems. However, due to the long-standing but unresolved status of the Title 22 (T22) Engineering Report—submitted over 20 years ago—ARSA has recently been instructed to halt these operations.

The current prohibition is creating significant operational issues. Most notably:

- The Castle Oaks Golf Course is struggling to maintain operations without this irrigation source, negatively affecting economic viability and property values.
- The ARSA system is reaching capacity, and without a disposal outlet, treated water is backing up, putting stress on the entire network.
- Critical dam safety improvements at Henderson Dam are being delayed, as emptying the reservoir requires movement across the entire system.

These unintended consequences are affecting not only the cities of Ione and Sutter Creek but also broader regional public safety and environmental management goals.

We understand the importance of compliance and regulatory oversight, but we respectfully urge the Board to work with ARSA to provide interim operational flexibility while the Title 22 report is formally addressed. We are prepared to assist in any coordination efforts or expedited review process necessary to ensure compliance and avoid regional infrastructure complications.

Thank you for your attention and consideration. We look forward to your response.

Sincerely,

Jeffrey L. Brown, Chair, Amador County Board of Supervisors

cc: Amador Regional Sanitation Authority (ARSA)
George Lee, Ione City Manager
Tom Dubois, Sutter Creek City Manager
Assemblymember Heath Flora
Senator Marie Alvarado-Gil