



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending
June 30, 2014

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**City of Shasta Lake,
California**

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2014**

**Prepared By:
Finance Director
Laura L. Redwine, CPA**

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CITY OF SHASTA LAKE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

Table of Contents

	Page
INTRODUCTORY SECTION	
Transmittal Letter.	i-iii
List of Officials.	iv
Organizational Chart.	v
FINANCIAL SECTION	
Independent Auditor’s Report.	1-3
Management’s Discussion and Analysis (Required Supplementary Information - Unaudited).	4-14
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.	15
Statement of Activities.	16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.	17
Reconciliation of the Governmental Fund Balance Sheet to the Government- Wide Statement of Net Position - Governmental Activities.	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities.	20
Proprietary Funds:	
Statement of Net Position.	21-22
Statement of Revenues, Expenses, and Changes in Net Position.	23
Statement of Cash Flows	24-25
Fiduciary Funds:	
Statement of Fiduciary Net Position.	26
Statement of Changes in Fiduciary Net Position.	27
Notes to Basic Financial Statements.	28-57
Required Supplementary Information (Unaudited):	
Schedule of Funding Progress - Other Postemployment Benefits (OPEB).	58
Budgetary Comparison Schedule - General Fund.	59
Budgetary Comparison Schedule - HOME.	60
Notes to Budgetary Comparison Schedules.	61

CITY OF SHASTA LAKE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

Table of Contents

Page

FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds:

Combining Balance Sheet.....	62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.	63

Special Revenue Funds:

Narrative Summary.	64-65
Combining Balance Sheet.	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.	67

Budgetary Comparison Schedules:

Law Enforcement Fund (COPS).	68
Water P & FCC Charges.	69
State Trafficway.....	70
Electric P & FCC Charges.....	71
CDBG Project Fund.....	72
CDBG Housing Rehabilitation.	73
Wastewater P & FCC Charges.....	74
Parks P & FCC Charges.....	75
Housing Authority.....	76

Debt Service Funds:

Narrative Summary.	77
Combining Balance Sheet.	78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.	79
Budgetary Comparison Schedules:	
Rosamond Debt Service.....	80
Riddle Road Water Bond.....	81
Davis-Grunsky Loan Act.....	82

Nonmajor Proprietary Funds:

Enterprise Funds:

Narrative Summary.	83
Statement of Net Position.....	84
Statement of Revenues, Expenses, and Changes in Net Position.	85
Statement of Cash Flows.	86

Internal Service Funds:

Narrative Summary.	87
Combining Statement of Net Position.	88
Combining Statement of Revenues, Expenses, and Changes in Net Position.	89
Combining Statement of Cash Flows.....	90

CITY OF SHASTA LAKE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

Table of Contents

	Page
FINANCIAL SECTION (CONTINUED)	
Fiduciary Funds:	
Narrative Summary.....	91
Agency Fund:	
Statement of Assets and Liabilities.	92
Statement of Changes in Assets and Liabilities.....	93
STATISTICAL SECTION (UNAUDITED)	
Narrative Summary.	94
Financial Trend Information:	
Net Position by Component - Last Ten Fiscal Years.	95
Changes in Net Position - Last Ten Fiscal Years.	96-97
Fund Balances - Governmental Funds - Last Ten Fiscal Years.	98
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	99
General Fund Compared to Annual Appropriations - Last Ten Fiscal Years.....	100
General Fund Revenues by Source - Last Ten Fiscal Years.....	101
General Fund Tax Revenues by Source - Last Ten Fiscal Years.	102
Governmental Fund Expenditures by Function - Last Ten Fiscal Years.	103
Revenue Capacity Information:	
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years. ...	104
Property Tax Rates (Direct and Overlapping Governments) and City Levies and Collections - Last Ten Fiscal Years.	105
Principal Property Taxpayers - Current Year and One Year Ago.....	106
Property Value and Construction - Last Ten Fiscal Years.	107
Debt Capacity Information:	
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years.	108
Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt per Capita - Last Ten Fiscal Years.	109
Ratio of Annual Debt Service for Bonded Debt to Total General Expenditures - Last Ten Fiscal Years.	110
Computation of Legal Bonded Debt Margin - Last Ten Fiscal Years.	111
Demographic and Economic Information:	
Economic Information - Last Ten Calendar Years.	112
Principal Employers.	113
Operating Information:	
Authorized Full-Time and Equivalent Employees (FTE) by Department - Last Ten Fiscal Years.	114
Operating and Capital Indicators - Last Ten Calendar Years.	115

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INTRODUCTORY SECTION

- **Letter of Transmittal**
- **City Council and Administrative Personnel**
- **Organizational Chart**

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City of Shasta Lake

P.O. Box 777 1600 Stanton Drive
Shasta Lake, CA 96019
Phone: 530-275-7400
Fax: 530-275-7414
Website: cityofshastalake.org



January 9, 2015

Honorable Mayor, Members of the City Council, and Citizens of the City of Shasta Lake:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Shasta Lake, California for the fiscal year ended June 30, 2014. The fiscal year covers financial transactions from July 1, 2013 to June 30, 2014 on a modified or full accrual basis, depending on the fund type. The format and content of this CAFR comply with the principles and standards of accounting and financial reporting adopted by the Governmental Accounting Standards Board (GASB) and contain all information needed for readers to gain a reasonable understanding of the City of Shasta Lakes' financial affairs.

This report was prepared by the City's Finance Department. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Smith & Newell CPAs, a firm of licensed certified public accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2014. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the City and Its Operations

The City of Shasta Lake has an estimated population of 10,164 and is located in east central Shasta County. It is north and adjacent to Redding, population 90,755, and thirty miles north of Red Bluff, population 14,157. Shasta Lake is situated along Interstate 5 and is 170 miles north of Sacramento, the state capital. The City was incorporated July 2, 1993, as a general law city and it employs the council-manager form of government. The governing council is responsible, among other things for passing ordinances, adopting the budget, and appointing committees. The Council appoints a City Attorney as legal counsel and a City Manager who is the administrative head of the government.

The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing day-to-day operations of the government, and for appointing the heads of the various departments. The City Manager is required to prepare and submit the annual budget to City Council and be responsible for its administration after adoption. The City Manager presents an operating and capital budget to City Council for review and adoption.

The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with either two or three council members elected every two years. A Mayor and Vice-Mayor are selected by the Council from its members. An organization chart and list of the City Council members and other City officials, as of June 30, 2014, is included at the back of the Introductory Section of the CAFR.

The primary responsibility for financial administration of the City rests with the Finance Director. She is appointed by the City Manager and is responsible for establishing and maintaining the accounting and management information for the City. She is also responsible for the receipt, investments, and disbursement of all City funds.

The City of Shasta Lake provides a full range of services, including police (through a contract with the Shasta County Sheriff's Department), the maintenance of streets and other infrastructure, recreational activities, and cultural events. The City also provides electric, water, sewer, and solid waste services to its citizens.

Long-term Financial Planning

The City is in the midst of updating the general plan, which includes the open space, conservation, housing, and land use components, and anticipates having a completed plan within the year. The City expects the local economy to strengthen from the previous downturn. A new business tax was passed during the November 2014 election, which will add growth to the General Fund revenue stream. Property tax revenues are expected to increase, however, a conservative projection was budgeted. Water and wastewater five-year rate studies were adopted in 2014 with increases ranging from 2.5% to no more than 3.5%. The increases in rates will ensure much needed capital improvements. An updated investment policy was established during 2014, which provides greater guidance and management of the City's investments. The City paid down approximately two million on retirement obligations with excess cash reserves.

The electric utility fund will pay the 2005 revenue bond in full come May 2015. In the future, Shasta Lake anticipates implementing a cash reserve policy to ensure protection against future economic hardships and development of a comprehensive capital improvement plan that identifies needed improvements.

Local Economy and History

The modern history of the City of Shasta Lake goes back to at least the late 1930s when construction of the Shasta Dam was announced in 1937. Hundreds of workers and their families migrated to the area and many businesses flourished. By the time construction commenced in 1938, the workers and their families had created new communities known as Central Valley, Pine Grove, Project City, Toyon, and Summit City. Except for the period during World War II when many workers left the area to join the services, for the next thirty years the communities thrived as the area's timber industry grew. With the decline in timber production and public works projects in the 1970s, the communities declined. Businesses closed, leaving vacant buildings behind. Homes that had been constructed nearly fifty years earlier and designed for temporary housing continued to house individuals and families, without structural upgrades to assure safety.

Today, the communities that prospered during the Dam era, now comprise the City of Shasta Lake. Primary industry continues to include timber along with government and manufacturing. Property taxes account for over forty percent of general revenues. In response to the desire to beautify the City, public improvements such as curbs, gutters, street paving, and sidewalks in residential neighborhoods have come

underway. The City has a small town vibe and boasts community events such as Friday Night in the Park, Shasta Damboree, and a Veterans' Day parade. The City recently welcomed the completion of the Wintu Cultural Center – Museum & Gift Shop.

Shasta Lake has a strong commitment to its residents' safety, well-being, and cultural activities. We are striving to be a self-contained community that meets the commercial, retail, social, cultural, educational, and recreational needs of its citizens.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Laura L. Redwine". The signature is written in a cursive, flowing style.

Laura L. Redwine, CPA
Finance Director

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CITY OF SHASTA LAKE
City Officials
For the Year Ended June 30, 2014

Elected Officials

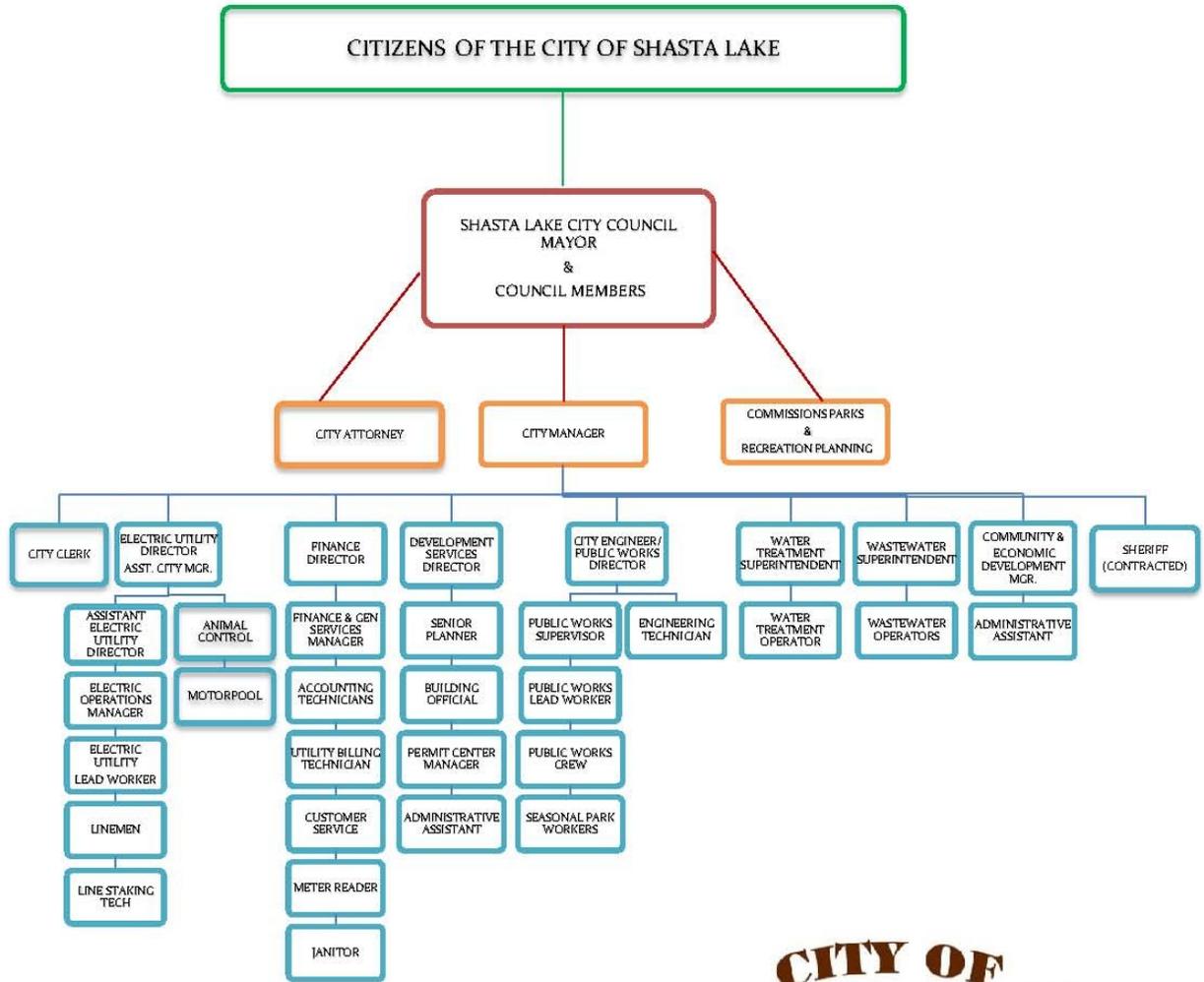
Pamelyn Morgan..... Mayor
Greg Watkins. Vice-Mayor
Larry Farr. Member
Richard Kern..... Member
Lori Chapman-Sifers..... Member

Administrative Personnel

John N. Duckett, Jr. City Manager
John Kenny. City Attorney
Laura Redwine. Finance Director
Tom Miller. Electric Utility Director
Jeff Tedder. City Engineer
Carla L. Thompson..... Development Services Director
Tony Thomasy. Water Treatment Superintendent
Tom Chism. Wastewater Treatment Superintendent
Jessaca Lugo..... Economic Development Manager
Forrest Bartell..... Sheriff's Captain
Toni Coates..... City Clerk

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City of Shasta Lake Org Chart



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FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Shasta Lake
Redding, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Shasta Lake, California (City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mayor and
Members of the City Council
City of Shasta Lake
Redding, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1S to the financial statements, in 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 70. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Funding Progress, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other 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 introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

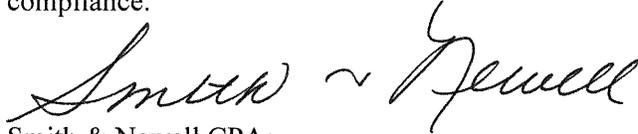
The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and
Members of the City Council
City of Shasta Lake
Redding, California

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 9, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Smith & Newell". The signature is written in dark ink and is positioned above the printed name of the firm.

Smith & Newell CPAs
Yuba City, California
January 9, 2015

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**Management's Discussion and Analysis
(Unaudited)**

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Management's Discussion and Analysis

As management of the City of Shasta Lake (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages **i-iii** of this report. The management's discussion and analysis is designed to: 1) assist the reader in focusing on significant financial issues, 2) provide an overview of the City's financial activity, and 3) identify changes in the City's financial assets. Comparative data on the government-wide financial statements is only presented in Management's Discussion and Analysis.

Financial Highlights

Government-wide

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$112,773,538 (net position). Of this amount, \$30,650,449 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$1,714,514. The governmental activities net position decreased by \$895,329 and the business-type activities net position decreased by \$819,185.
- The City's total debt decreased by \$888,594 (5 percent) during the current fiscal year. The decrease is due to scheduled annual debt service payments.

Fund Financials

- At the close of fiscal year 2013-14, governmental funds reported combined ending fund balance of \$11,418,885, a decrease of \$268,281 compared to the prior fiscal year's increase of \$986,846, primarily due to a decrease in one-time tax revenues received during the 2012-13 fiscal year. The ending fund balance is primarily identified as: \$9,703,453 restricted (84 percent), \$1,046,606 assigned (9 percent), and \$668,826 unassigned (7 percent).
- At the end of the current fiscal year, the combined fund balance for the General fund was \$2,407,425. This represents a decrease of \$551,865 plus a prior period adjustment increase of \$125,425, which consists primarily of \$641,692 in restricted funds and \$1,046,606 in assigned funds. The prior period adjustment represents the removal of compensated absences that were being accrued in the General fund. The accrual of compensated absences is only necessary for government-wide financials.
- Proprietary funds reported a combined ending unrestricted net position of \$25,574,045, and a decrease of \$628,653 in total net position compared to the prior year's increase of \$95,225, primarily due to the one-time recording of the CalPERS retirement debt, which was borrowed from the Electric Utility fund. Payments to the Electric Utility fund are expected to begin in 2015 and continue for ten years.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid (e.g., earned but unused vacation leave or uncollected taxes).

Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public ways and facilities, planning, culture and recreation, and community development. The business-type activities of the City includes water, electric, and wastewater operations, as well as an industrial park. Also included in the government-wide financial statements are the Successor Agency to the Former City of Shasta Lake Redevelopment Agency (all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012) and the Shasta Lake Public Financing Authority. While these agencies are legally separate agencies, their governing boards consists entirely of City Council members and function for all practical purposes as departments of the City, therefore, have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages **15-16** of this report.

Fund Financial Statements

Fund financial statements are designed to report information about groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City maintains several individual governmental funds organized by their type (special revenue and debt service). Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Home Funding fund, and the 1995 Wastewater Debt Service fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements shown on pages **66-67** and **78-79**.

The City adopts an annual appropriated budget for its general, special revenue, and debt service funds. A budgetary comparison statement has been provided for the General fund and all major funds to demonstrate compliance with this budget on pages **59-61**.

The basic governmental fund financial statements can be found on pages **17-19** of this report.

Proprietary Funds - *Proprietary funds* are generally used to account for services for which the City charges outside customers or internal departments of the City. Proprietary funds provide the same type of information as shown in the government-wide statements, only in more detail. The City maintains the following two types of proprietary 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 operations of water, electric, wastewater, and industrial park.
- **Internal service funds** are used to report activities that provide internal services for the City. The City uses internal service funds to account for its fleet of vehicles and for its public works maintenance activities. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements found on pages **88-90**.

The basic proprietary funds financial statements can be found on pages **21-25** of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City's own programs. The basic fiduciary funds financial statements can be found on page **26-27** of this report.

Notes to the 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. The notes to the financial statements can be found on pages **28-57** of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI), which can be found on pages **58-61** of this report.

Combining statements for nonmajor governmental funds and nonmajor proprietary funds are presented immediately following the RSI. Combining and individual financial statements and schedules can be found on pages **62-93** of this report.

Statistical tables regarding; fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operation information can be found on pages **94-115** of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial assets. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$112,773,538 at the close of the most recent fiscal year.

The following schedule displays a summary breakdown of the City's net position as of June 30, 2014 and 2013:

	NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current and other assets	\$ 17,095,986	\$ 16,400,061	\$ 28,810,216	\$ 28,819,227	\$ 45,906,202	\$ 45,219,288
Capital assets	52,295,145	51,575,153	37,184,117	35,939,532	89,479,262	87,514,685
Total assets	69,391,131	67,975,214	65,994,333	64,758,759	135,385,464	132,733,973
Current liabilities	2,064,438	1,911,163	2,323,475	2,641,336	4,387,913	4,552,499
Long-term liabilities	3,607,768	3,240,455	12,901,731	12,167,481	16,509,499	15,407,936
Total liabilities	5,672,206	5,151,618	15,225,206	14,808,817	20,897,412	19,960,435
Net position						
Net investment in capital assets	52,295,145	48,273,741	31,551,633	23,037,784	83,846,778	71,311,525
Restricted	8,633,920	9,833,597	997,747	977,967	9,631,667	10,811,564
Unrestricted	2,789,860	4,716,258	18,219,747	25,934,191	21,009,607	30,650,449
Total net position	\$ 63,718,925	\$ 62,823,596	\$ 50,769,127	\$ 49,949,942	\$ 114,488,052	\$ 112,773,538

By far, the largest portion of the City's net position (76 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$9,833,597 (15 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$4,716,258 (9 percent) may be used to meet the government's ongoing obligations to citizens and creditors, as well as to meet City imposed designations (e.g., reserves, pending litigations, contingencies and capital projects).

The statement of activities shows how the City's net position changed during the fiscal year. The City's net position decreased overall by \$1,714,514 during the year. These decreases are explained in the governmental and business-type activities on the following pages.

At the end of the current fiscal year, the City was able to report positive balances in net position, for both governmental and business-type activities.

The following schedule shows the various components that caused the City's net position to change:

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues:						
Program Revenues						
Charges for services	\$ 3,173,066	\$ 3,323,062	\$ 21,904,972	\$ 24,374,928	\$ 25,078,038	\$ 27,697,990
Operating grants and contributions	2,459,906	1,847,156	-	-	2,459,906	1,847,156
Capital grants and contributions	217,806	333,623	417,370	51,087	635,176	384,710
General Revenues						
Property tax	1,543,442	911,458	-	-	1,543,442	911,458
Sales tax	390,461	480,926	-	-	390,461	480,926
Transient and occupancy taxes	4,900	7,215	-	-	4,900	7,215
Other taxes	152,940	189,712	-	-	152,940	189,712
Motor vehicle in-lieu	732,158	733,665	-	-	732,158	733,665
Interest and investment earnings	24,682	35,232	150,238	157,207	174,920	192,439
Other	329,897	164,769	35,132	408,876	365,029	573,645
Total revenues	9,029,258	8,026,818	22,507,712	24,992,098	31,536,970	33,018,916
Expenses:						
General government	2,336,213	2,636,610	-	-	2,336,213	2,636,610
Public safety	2,848,143	2,761,952	-	-	2,848,143	2,761,952
Public ways and facilities	1,883,790	2,041,296	-	-	1,883,790	2,041,296
Planning	371,593	514,828	-	-	371,593	514,828
Recreation and culture	254,399	298,171	-	-	254,399	298,171
Community development	117,713	389,440	-	-	117,713	389,440
Interest and fiscal charges on long-term debt	156,509	169,850	-	-	156,509	169,850
Water	-	-	2,255,672	2,748,608	2,255,672	2,748,608
Electric	-	-	17,526,105	20,114,409	17,526,105	20,114,409
Wastewater	-	-	2,524,844	2,735,434	2,524,844	2,735,434
Industrial park	-	-	147,052	132,300	147,052	132,300
Total expenses	7,968,360	8,812,147	22,453,673	25,730,751	30,422,033	34,542,898
Increase (decrease) in net position before transfers	1,060,898	(785,329)	54,039	(738,653)	1,114,937	(1,523,982)
Transfers	(41,186)	(110,000)	41,186	110,000	-	-
Increase (decrease) in net position	1,019,712	(895,329)	95,225	(628,653)	1,114,937	(1,523,982)
Net position, beginning of year	62,699,213	63,718,925	50,673,902	50,769,127	113,373,115	114,488,052
Prior period adjustment	-	-	-	(190,532)	-	(190,532)
Net position, beginning of year-restated	62,699,213	63,718,925	50,673,902	50,578,595	113,373,115	114,297,520
Net position, end of year	\$ 63,718,925	\$ 62,823,596	\$ 50,769,127	\$ 49,949,942	\$ 114,488,052	\$ 112,773,538

Governmental Activities - Governmental activities decreased the City's net position by \$895,329. Key elements of activities performed in the fiscal year ended June 30, 2014 are as follows:

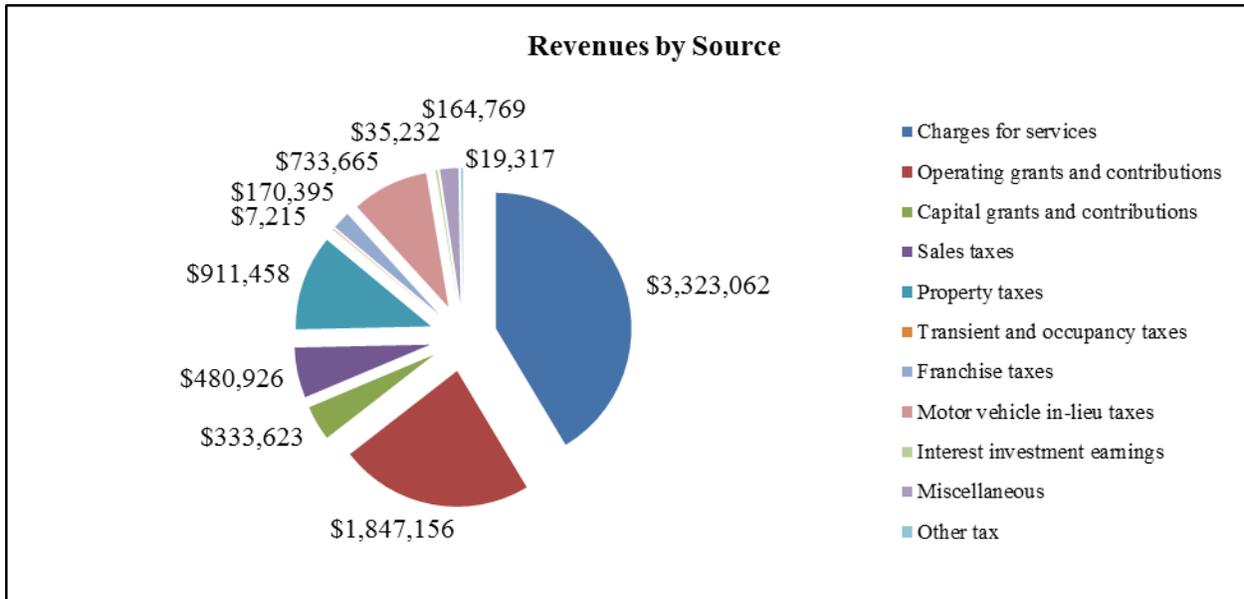
Program revenues decreased \$346,937 due primarily to the completion of several grant projects. The major changes are highlighted below:

- Charges for services increased due to internal service charges for shared overhead escalations.
- Capital grants and contributions increased due to the PIHNC Langfield project being fully underway and completed during the current year.
- Operating grants and contributions decreased due to the prior year completion of a grant.

General revenues decreased \$655,503 due to one-time property tax revenue received during the prior fiscal year in regards to the dissolution of the RDA. The major changes are highlighted below:

- Property tax decreased \$631,984 mostly to one-time property taxes received due to dissolution of the RDA.
- Sales tax increased \$90,465 due to consumers increasing spending.
- Other revenues decreased \$165,128 due to one-time donations received in 2013 for the transfer of assets in regards to the dissolution of the RDA.

As the chart below depicts, the largest source of revenues are charges for services followed by operating grants and contributions, which comprises 64 percent of total revenues for governmental activities.

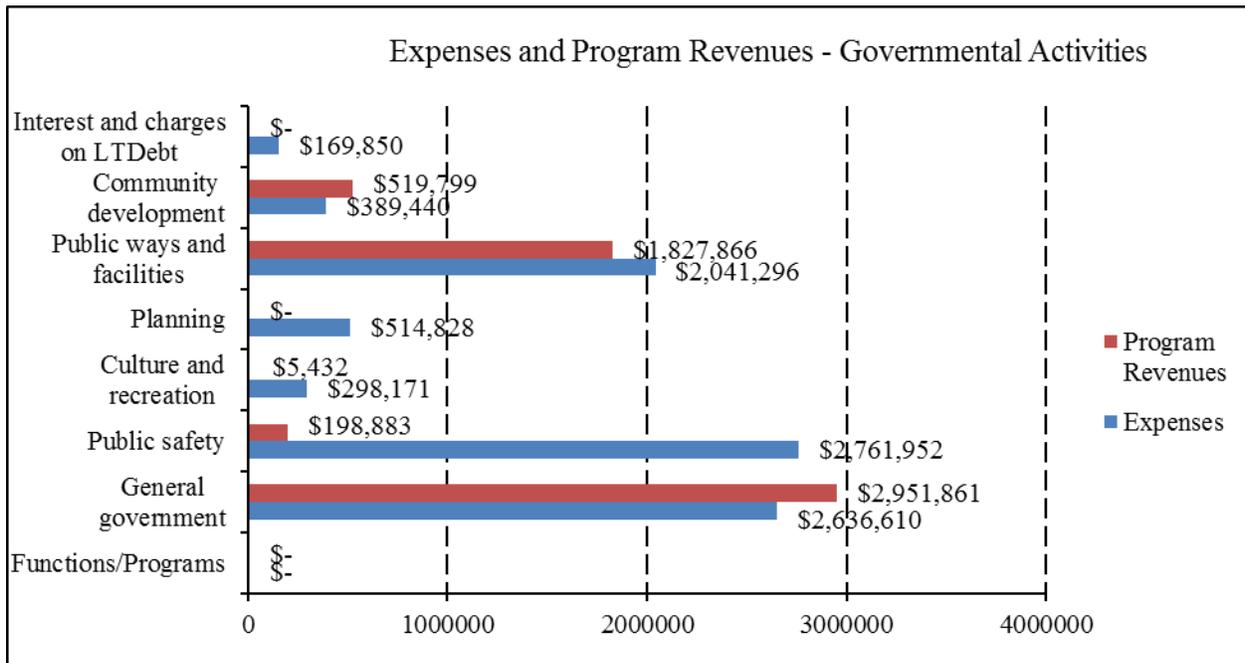


Expenses increased \$843,787 primarily due to an increase of \$1,114,584 for one-time recording of CalPERS refinanced side fund retirement debt, which was borrowed from the Electric Utility fund and spread across all expenditure functions.

As shown in the chart below, public safety is the largest program followed by general government. General revenues, such as property and sales tax, are not shown by program, but are effectively used to support program activities citywide.

Expenses and Program Revenues
Governmental Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General government	\$ 2,636,610	29.93%	\$ 2,951,861	53.64%	\$ 315,251
Public safety	2,761,952	31.34%	198,883	3.61%	(2,563,069)
Public ways and facilities	2,041,296	23.16%	1,827,866	33.21%	(213,430)
Planning	514,828	5.84%	-	0.00%	(514,828)
Culture and recreation	298,171	3.38%	5,432	0.10%	(292,739)
Community development	389,440	4.42%	519,799	9.44%	130,359
Interest and charges on LTDebt	169,850	1.93%	-	0.00%	(169,850)
Total	\$ 8,812,147	100.00%	\$ 5,503,841	100.00%	\$ (3,308,306)



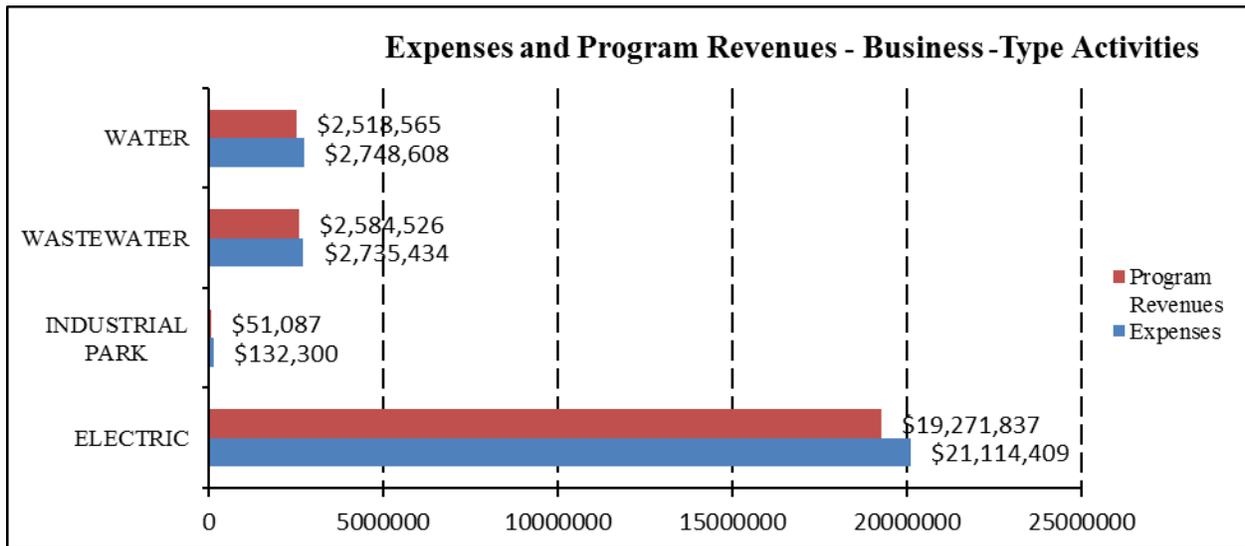
Business-type Activities - Business-type activities decreased the City's net position by \$819,185, compared to prior fiscal year's increase of \$95,225. Key elements of this change are as follows.

- Water Utility fund's net position decreased \$61,785, compared to the prior fiscal year's increase of \$215,658. This decrease in growth was primarily due to \$116,932 one-time recording of CalPERS refinanced side fund retirement debt, which was borrowed from the Electric Utility fund.
- Electric Utility fund's net position decreased \$342,644 (1 percent), compared to the prior fiscal year's increase of \$46,893. This slight decrease in growth was also related to the CalPERS refinanced side fund retirement debt. There was also a prior period adjustment of \$190,532 recorded to correct previous errors made because of a change in accounting principle for unamortized costs of issuance.
- Wastewater Utility fund's net position decreased \$114,138, compared to the prior fiscal year's decrease of \$116,897. The decrease of \$116,936 due to the CalPERS refinanced debt was offset by utility rate revenue increases.
- Industrial Park fund (other enterprise fund) decreased \$18,869, which is comparable to the prior fiscal year's decrease of \$18,882. The shortfall is subsidized by the General fund and is due to maintenance expenses that exceed revenues.
- Internal Service fund's net position increased \$136,194 (6 percent), compared to the prior fiscal year's decrease of \$49,747. The increase was needed to offset the completion of the Public Works vehicle storage building.

As shown below, the Electric fund had the greatest total expenses with \$20,114,409 out of \$25,730,751 in total business-type expenses. For all the business-type activities below, charges for services provide the largest share of program revenues (99 percent).

Expenses and Program Revenues
Business-Type Activities
For the Year Ended June 30, 2014

Funds	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Water	\$ 2,748,608	10.68%	\$ 2,518,565	10.31%	\$ (230,043)
Electric	20,114,409	78.18%	19,271,837	78.90%	(842,572)
Wastewater	2,735,434	10.63%	2,584,526	10.58%	(150,908)
Industrial Park	132,300	0.51%	51,087	0.21%	(81,213)
Total	\$ 25,730,751	100.00%	\$ 24,426,015	100.00%	\$ (1,304,736)



Financial Analysis of the City Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,418,885, a decrease of \$268,281 when compared to the prior fiscal year. The decrease is primarily due to the CalPERS side fund refinance. Assigned fund balance (available for specific purposes) of \$1,046,606 consists of debt owed to the Electric Utility fund for the refinancing of debt mentioned above of \$704,831, obligations for accounts payable and payroll of \$325,553, and developer deposits. The remainder of fund balance, \$9,703,453, is restricted by outside sources. Refer to pages 17-20 for more detail of governmental funds.

The General fund is the chief operating fund of the City. At the end of the current fiscal year unassigned fund balance of the General fund was \$719,127. Total fund balance at the end of the year is \$2,407,425. The fund balance of the City's General fund decreased by \$551,865 during the current fiscal year. The primary factor for this decrease has been discussed above and is related to the refinance of the CalPERS debt. Refer to pages 50-52 for more detail of fund balance.

General Fund Revenues for fiscal year 2013-14, including transfers in, were \$5,706,017, a decrease of \$625,017 (9 percent), compared to prior fiscal year. Key elements of the changes are as follows:

- Tax revenue decreased \$507,098 primarily due to one-time property tax revenue received for the dissolution of the RDA in 2013.
- Other revenues decreased \$164,444 due to one-time donations received in 2013 for the transfer of assets in regards to the dissolution of the RDA.

General Fund Expenditures for fiscal year 2013-14, including transfers in, increased \$392,570 (6 percent). Key elements of the changes are as follows:

- General government increased \$396,885 primarily due to a smaller postemployment benefits (OPEB) payment made in 2014 and an increase in a one-time payment for the CalPERS debt.

Other Major Governmental Funds – The HOME fund accounts for the HOME grant program. Funding comes from grant revenues. Revenues are comparable to the prior year. Expenditures increased \$54,015 due to an increase in consumer home loan defaults. Wastewater Treatment Debt fund accounts for the 1995 Wastewater Revenue Bonds. Revenues and expenditures are comparable to the prior year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water, Electric, Wastewater, and Industrial Park at the end of the year amounted to \$25,574,045. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The General fund budget and actual report can be found on page **59**. Differences between the original expenditure budget and the final amended budget was an increase in total appropriations of \$918,445. Some of the major changes are summarized below:

- A \$744,831 increase in salaries and employee benefits to accommodate the CalPERS debt payment and an increase to animal control for two additional part-time employees.
- A \$20,000 increase for credit card administrative fees due to increased credit card usage among utility customers.
- A \$144,518 increase in capital outlay to accommodate improvements for the Community Center and a new computer server for the City.

Capital Asset and Debt Administration

Capital Assets - The City's investment in capital assets for its governmental and business type activities as of June 30, 2014, amounts to \$87,514,685 (net of accumulated depreciation). This investment in capital assets includes land, general and utility plant, building and improvements, streets and drainage, parks, equipment and vehicles, other assets as well as construction in progress. Additional information on capital assets can be found on pages **41-43** in the notes to the basic financial statements.

Major capital asset events during the current fiscal year include the following:

- \$68,551 was expended for a Tantalus server upgrade needed for utility software.
- \$23,076 was expended for a computer server.
- Purchase of a 2013 Chevy Tahoe in the amount of \$50,570 for police services.
- \$74,175 was expended for the purchase of a used Dodge Ram bucket truck for the Electric Utility department.
- \$218,495 expended on continued improvements to the water line.
- \$120,666 for a wastewater environmental study for the treatment plant expansion project.
- Pump station 3 dimminutor improvements for \$41,827.
- \$20,433 to finish completion of the council chamber.
- Bicycle transportation pavement striping for \$107,144.
- Completion of the Public Works vehicle storage building for \$212,217.
- Completion of the Langfield project for \$167,430.

Changes in capital assets consist of the following:

Changes in Capital Assets				
	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Governmental activities				
Land, easements & rts of way	\$ 3,700,494	\$ -	\$ -	\$ 3,700,494
Infrastructure and land improvmts	51,294,728	440,290	-	51,735,018
Buildings and improvements	1,822,546	6,968,886	-	8,791,432
Machinery & equipment	601,540	5,814	-	607,354
Vehicles	34,571	-	-	34,571
Construction in progress	6,978,071	-	6,975,041	3,030
Total	64,431,950	7,414,990	6,975,041	64,871,899
Less accumulated depreciation	(12,136,805)	(1,159,941)	-	(13,296,746)
Governmental activities capital assets, net	52,295,145	6,255,049	6,975,041	51,575,153
Business-type activities				
Land	2,122,396	-	-	2,122,396
General and utility plant	65,456,998	662,193	-	66,119,191
Building and improvements	1,907,182	212,217	-	2,119,399
Equipment and vehicles	3,621,562	286,948	833	3,907,677
Construction in progress	507,442	224,155	371,768	359,829
Total	73,615,580	1,385,513	372,601	74,628,492
Less accumulated depreciation	(36,431,463)	(2,258,330)	833	(38,688,960)
Business-type activities capital assets, net	37,184,117	(872,817)	371,768	35,939,532
Total	\$ 89,479,262	\$ 5,382,232	\$ 7,346,809	\$ 87,514,685

Long-term Debt

The following schedule shows the changes in long-term debt for the year.

Long-Term Debt				
	Balance July 1, 2013	Adjustments/ Additions	Deductions	Balance June 30, 2014
Governmental activities				
Loans payable	\$ 121,658	\$ (3)	\$ 8,243	\$ 113,412
Revenue bonds	3,203,000	(1,000)	89,000	3,113,000
Special assessment debt	91,000	-	16,000	75,000
Governmental activities Long-term debt	3,415,658	(1,003)	113,243	3,301,412
Business-type activities				
Loans payable	4,553,880	-	184,364	4,369,516
Revenue bonds	8,040,000	-	510,000	7,530,000
Special assessment debt	890,000	-	25,000	865,000
Capital leases payable	188,621	-	51,389	137,232
Business-type activities Long-term debt	13,672,501	-	770,753	12,901,748
Total	\$ 17,088,159	\$ (1,003)	\$ 883,996	\$ 16,203,160

At the end of the current fiscal year, the City had total debt outstanding of \$16,203,160. Of this amount, \$4,482,928 comprises debt backed by the full faith and credit of the government and \$940,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) and a capital lease of \$137,232. Additional information on long-term liabilities can be found on pages **44-48** in the notes to the basic financial statements.

The City's total debt decreased by \$884,999 (5 percent) during the current fiscal year. The decrease is due to scheduled annual debt repayment.

Economic Factors and Next Year's Budgets and Rates

The focus of this annual report is to provide an overview of the financial condition of the City of Shasta Lake as of June 30, 2014, taking into consideration the global, national, and local economic conditions and their impacts on the City. The U.S. economy continues to rise and has shown four straight years of economic growth. The State of California ended the 2014 fiscal year with a positive cash flow balance. Slow growth is expected for the local economy for the 2014-2015 fiscal year.

The City anticipates the General fund to decrease for the fiscal year ending 2015 mainly due to expenditures related to wage increases, payments to the Electric Utility fund for reimbursement of the CalPERS side fund debt, and capital outlay projects. During the 2014-15 fiscal year, the City completed the issuance of refunding bonds in the amount of \$3,900,000 for the Successor Agency of the Former City of Shasta Lake Redevelopment Agency. All of these factors were considered in preparing the City's budget for the 2014-15 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. This report can be found with the City's audited financial statements on the City's website, www.cityofshastalake.org under departments, finance department, financial information. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

The City of Shasta Lake - Finance Director
P.O. Box 777
Shasta Lake, CA 96019

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Basic Financial Statements

- **Government-Wide Financial Statements**

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CITY OF SHASTA LAKE
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 6,840,841	\$ 19,613,371	\$ 26,454,212
Receivables:			
Accounts, net	79,850	2,557,555	2,637,405
Interest	139	9,002	9,141
Taxes	267,763	6,516	274,279
Intergovernmental	82,126	-	82,126
Assessments	3,188,000	664,634	3,852,634
Deposits	4,428	370,311	374,739
Prepaid costs	-	2,121,594	2,121,594
Inventory	-	482,053	482,053
Internal balances	(136,819)	136,819	-
Restricted cash and investments	798,708	968,965	1,767,673
Loans receivable	4,630,098	-	4,630,098
Other postemployment benefits asset	-	1,888,407	1,888,407
Land held for resale	644,927	-	644,927
Capital assets:			
Non-depreciable	3,703,524	2,482,225	6,185,749
Depreciable, net	47,871,629	33,457,307	81,328,936
Total capital assets	<u>51,575,153</u>	<u>35,939,532</u>	<u>87,514,685</u>
Total Assets	<u>67,975,214</u>	<u>64,758,759</u>	<u>132,733,973</u>
LIABILITIES			
Accounts payable	166,784	1,509,853	1,676,637
Salaries and benefits payable	48,190	54,041	102,231
Due to other governments	215,704	-	215,704
Deposits payable	554,776	1,824	556,600
Interest payable	48,204	163,187	211,391
Unearned revenues	193,608	-	193,608
Other postemployment benefits liability	492,013	-	492,013
Long-term liabilities:			
Due within one year	191,884	912,431	1,104,315
Due in more than one year	3,240,455	12,167,481	15,407,936
Total Liabilities	<u>5,151,618</u>	<u>14,808,817</u>	<u>19,960,435</u>
NET POSITION			
Net investment in capital assets	48,273,741	23,037,784	71,311,525
Restricted for:			
General government	1,459,566	-	1,459,566
Public safety	3,740	-	3,740
Public ways and facilities	2,169,558	-	2,169,558
Community development	5,521,412	-	5,521,412
Debt service	679,321	977,967	1,657,288
Unrestricted	4,716,258	25,934,191	30,650,449
Total Net Position	<u>\$ 62,823,596</u>	<u>\$ 49,949,942</u>	<u>\$112,773,538</u>

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

CITY OF SHASTA LAKE
Statement of Activities
For the Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,636,610	\$ 2,944,400	\$ 7,461	\$ -
Public safety	2,761,952	98,883	100,000	-
Public ways and facilities	2,041,296	274,347	1,390,600	162,919
Planning	514,828	-	-	-
Culture and recreation	298,171	5,432	-	-
Community development	389,440	-	349,095	170,704
Interest on long-term debt	169,850	-	-	-
Total Governmental Activities	8,812,147	3,323,062	1,847,156	333,623
Business-type activities:				
Water	2,748,608	2,518,565	-	-
Electric	20,114,409	19,271,837	-	-
Wastewater	2,735,434	2,584,526	-	-
Industrial park	132,300	-	-	51,087
Total Business-Type Activities	25,730,751	24,374,928	-	51,087
Total	\$34,542,898	\$27,697,990	\$ 1,847,156	\$ 384,710

General revenues:

Taxes:

- Property taxes
- Sales and use taxes
- Transient occupancy taxes
- Franchise taxes
- Other taxes
- Motor vehicle in-lieu
- Interest and investment earnings
- Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Cummulative effect of a change in accounting principal

Net Position - Beginning, Restated

Net Position - Ending

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

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

Governmental Activities	Business- Type Activities	Total
\$ 315,251	\$ -	\$ 315,251
(2,563,069)	-	(2,563,069)
(213,430)	-	(213,430)
(514,828)	-	(514,828)
(292,739)	-	(292,739)
130,359	-	130,359
(169,850)	-	(169,850)
<u>(3,308,306)</u>	<u>-</u>	<u>(3,308,306)</u>
-	(230,043)	(230,043)
-	(842,572)	(842,572)
-	(150,908)	(150,908)
-	(81,213)	(81,213)
<u>-</u>	<u>(1,304,736)</u>	<u>(1,304,736)</u>
<u>(3,308,306)</u>	<u>(1,304,736)</u>	<u>(4,613,042)</u>
911,458	-	911,458
480,926	-	480,926
7,215	-	7,215
170,395	-	170,395
19,317	-	19,317
733,665	-	733,665
35,232	157,207	192,439
164,769	408,876	573,645
(110,000)	110,000	-
<u>2,412,977</u>	<u>676,083</u>	<u>3,089,060</u>
<u>(895,329)</u>	<u>(628,653)</u>	<u>(1,523,982)</u>
63,718,925	50,769,127	114,488,052
-	(190,532)	(190,532)
<u>63,718,925</u>	<u>50,578,595</u>	<u>114,297,520</u>
<u>\$ 62,823,596</u>	<u>\$ 49,949,942</u>	<u>\$112,773,538</u>

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF SHASTA LAKE
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General</u>	<u>HOME</u>	<u>Wastewater Treatment Debt</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
ASSETS					
Cash and investments	\$ 3,276,929	\$ 78,011	\$ 230,928	\$ 3,254,973	\$ 6,840,841
Receivables:					
Accounts, net	79,850	-	-	-	79,850
Interest	-	-	139	-	139
Taxes	125,841	-	71,176	70,746	267,763
Intergovernmental	-	6,521	-	75,605	82,126
Special assessments	-	-	3,113,000	75,000	3,188,000
Deposits	4,428	-	-	-	4,428
Due from other funds	65,500	-	-	-	65,500
Restricted cash and investments	539,745	-	255,463	3,500	798,708
Land held for resale	-	-	-	644,927	644,927
Loans receivable	-	3,882,218	-	747,880	4,630,098
	<u>\$ 4,092,293</u>	<u>\$ 3,966,750</u>	<u>\$ 3,670,706</u>	<u>\$ 4,872,631</u>	<u>\$ 16,602,380</u>
LIABILITIES					
Accounts payable	\$ 158,288	\$ -	\$ -	\$ 8,496	\$ 166,784
Salaries and benefits payable	48,190	-	-	-	48,190
Due to other governments	207,371	-	-	8,333	215,704
Deposits payable	546,901	-	-	7,875	554,776
Due to other funds	-	3,000	-	62,500	65,500
Advances from other funds	704,832	-	-	-	704,832
Unearned revenues	19,286	-	-	174,322	193,608
	<u>1,684,868</u>	<u>3,000</u>	<u>-</u>	<u>261,526</u>	<u>1,949,394</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	3,113,000	121,101	3,234,101
	<u>-</u>	<u>-</u>	<u>3,113,000</u>	<u>121,101</u>	<u>3,234,101</u>
FUND BALANCES					
Restricted	641,692	3,963,750	557,706	4,540,305	9,703,453
Assigned	1,046,606	-	-	-	1,046,606
Unassigned	719,127	-	-	(50,301)	668,826
	<u>2,407,425</u>	<u>3,963,750</u>	<u>557,706</u>	<u>4,490,004</u>	<u>11,418,885</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,092,293</u>	<u>\$ 3,966,750</u>	<u>\$ 3,670,706</u>	<u>\$ 4,872,631</u>	<u>\$ 16,602,380</u>

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

CITY OF SHASTA LAKE
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2014

Total Fund Balance - Total Governmental Funds	\$ 11,418,885
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the Governmental Funds Balance Sheets.	51,575,153
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds.	3,234,101
Interest payable on long-term debt does not require the use of current financial resources and therefore, is not accrued as a liability in the governmental funds balance sheets.	(48,204)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Loans payable	(113,412)
Bonds payable	(3,113,000)
Special assessment debt	(75,000)
Compensated absences	(130,927)
Other postemployment benefits liability	(492,013)
Internal service funds are used by management to charge the cost of certain activities, such as equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position.	<u>568,013</u>
Net Position of Governmental Activities	<u><u>\$ 62,823,596</u></u>

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

CITY OF SHASTA LAKE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	<u>General</u>	<u>HOME</u>	<u>Wastewater Treatment Debt</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
REVENUES					
Taxes and assessments	\$ 1,564,553	\$ -	\$ 246,805	\$ 509,642	\$ 2,321,000
Licenses and permits	98,638	-	-	-	98,638
Fines and forfeitures	18,107	-	-	-	18,107
Use of money and property	16,702	7,851	987	9,692	35,232
Intergovernmental	748,837	141,180	-	1,352,637	2,242,654
Charges for services	3,082,745	-	-	123,572	3,206,317
Other revenues	164,769	-	-	-	164,769
Total Revenues	<u>5,694,351</u>	<u>149,031</u>	<u>247,792</u>	<u>1,995,543</u>	<u>8,086,717</u>
EXPENDITURES					
Current:					
General government	2,636,025	-	9,611	27,033	2,672,669
Public safety	2,630,507	-	-	100,000	2,730,507
Public ways and facilities	43,009	-	-	938,078	981,087
Planning	510,886	-	-	-	510,886
Culture and recreation	246,507	-	-	-	246,507
Community development	-	151,690	-	236,416	388,106
Debt service:					
Principal	-	-	89,000	24,243	113,243
Interest	10,573	-	142,313	9,158	162,044
Capital outlay	165,375	-	-	274,574	439,949
Total Expenditures	<u>6,242,882</u>	<u>151,690</u>	<u>240,924</u>	<u>1,609,502</u>	<u>8,244,998</u>
Excess of Revenues Over (Under) Expenditures	<u>(548,531)</u>	<u>(2,659)</u>	<u>6,868</u>	<u>386,041</u>	<u>(158,281)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	11,666	-	-	11,633	23,299
Transfers out	(15,000)	-	-	(118,299)	(133,299)
Total Other Financing Sources (Uses)	<u>(3,334)</u>	<u>-</u>	<u>-</u>	<u>(106,666)</u>	<u>(110,000)</u>
Net Change in Fund Balances	<u>(551,865)</u>	<u>(2,659)</u>	<u>6,868</u>	<u>279,375</u>	<u>(268,281)</u>
Fund Balances - Beginning	2,833,865	3,966,409	550,838	4,210,629	11,561,741
Prior period adjustment	125,425	-	-	-	125,425
Fund Balances - Beginning, Restated	<u>2,959,290</u>	<u>3,966,409</u>	<u>550,838</u>	<u>4,210,629</u>	<u>11,687,166</u>
Fund Balances - Ending	<u>\$ 2,407,425</u>	<u>\$ 3,963,750</u>	<u>\$ 557,706</u>	<u>\$ 4,490,004</u>	<u>\$ 11,418,885</u>

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

CITY OF SHASTA LAKE
Reconciliation of the Statement of Revenues, Expenditures,
And Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (268,281)

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

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

Expenditures for capital outlay	439,949
Less current year depreciation	(1,159,941)

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

Principal retirements	113,243
Miscellaneous adjustment	1,003

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

Change in unavailable revenues	(59,901)
--------------------------------	----------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences payable	(5,502)
Change in other postemployment benefits liability	(186,865)
Change in accrued interest on long-term debt	4,549
Amortization of finance costs	(994)

Internal service funds are used by management to charge the cost of certain activities, such as equipment maintenance and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

227,411

Change in Net Position of Governmental Activities \$ (895,329)

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

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CITY OF SHASTA LAKE
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise Funds			
	Water	Electric	Wastewater	Other Enterprise Funds
ASSETS				
Current Assets:				
Cash and investments	\$ 2,451,383	\$ 13,567,065	\$ 2,837,054	\$ 514
Receivables:				
Accounts, net	363,930	1,885,019	308,093	513
Interest	8,320	682	-	-
Taxes	-	-	-	6,516
Assessments	-	-	-	664,634
Deposits	-	370,311	-	-
Prepaid costs	47,012	2,074,582	-	-
Inventory	4,108	477,945	-	-
Total Current Assets	2,874,753	18,375,604	3,145,147	672,177
Noncurrent Assets:				
Restricted cash and investments	59,662	909,303	-	-
Advances to other funds	-	1,347,653	-	-
Other postemployment benefits asset	336,061	819,922	31,923	-
Capital assets:				
Non-depreciable	210,540	72,276	477,476	1,677,716
Depreciable, net	11,360,009	11,219,465	9,081,896	471,419
Total Noncurrent Assets	11,966,272	14,368,619	9,591,295	2,149,135
Total Assets	14,841,025	32,744,223	12,736,442	2,821,312
LIABILITIES				
Current Liabilities:				
Accounts payable	90,753	1,308,828	65,068	4,914
Salaries and benefits payable	4,247	26,342	4,117	-
Deposits payable	625	-	-	1,199
Interest payable	54,586	93,463	-	15,138
Compensated absences payable	7,152	56,770	10,544	-
Loans payable	190,496	-	-	-
Bonds payable	-	530,000	-	25,000
Capital lease payable	-	-	-	-
Total Current Liabilities	347,859	2,015,403	79,729	46,251
Noncurrent Liabilities:				
Advances from other funds	116,132	-	116,936	-
Compensated absences payable	-	34,481	8,898	-
Loans payable	4,179,020	-	-	-
Bonds payable	-	7,000,000	-	840,000
Capital lease payable	-	-	-	-
Total Noncurrent Liabilities	4,295,152	7,034,481	125,834	840,000
Total Liabilities	4,643,011	9,049,884	205,563	886,251

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

<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 18,856,016	\$ 757,355
2,557,555	-
9,002	-
6,516	-
664,634	-
370,311	-
2,121,594	-
482,053	-
<u>25,067,681</u>	<u>757,355</u>
968,965	-
1,347,653	-
1,187,906	700,501
2,438,008	44,217
<u>32,132,789</u>	<u>1,324,518</u>
<u>38,075,321</u>	<u>2,069,236</u>
<u>63,143,002</u>	<u>2,826,591</u>
1,469,563	40,290
34,706	19,335
1,824	-
163,187	-
74,466	39,116
190,496	-
555,000	-
-	53,353
<u>2,489,242</u>	<u>152,094</u>
233,068	409,753
43,379	21,203
4,179,020	-
7,840,000	-
-	83,879
<u>12,295,467</u>	<u>514,835</u>
<u>14,784,709</u>	<u>666,929</u>

CITY OF SHASTA LAKE
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise Funds			
	Water	Electric	Wastewater	Other Enterprise Funds
NET POSITION				
Net investment in capital assets	7,201,033	3,761,741	9,559,372	1,284,135
Restricted for debt service	67,982	909,985	-	-
Unrestricted	2,928,999	19,022,613	2,971,507	650,926
Total Net Position	\$ 10,198,014	\$ 23,694,339	\$ 12,530,879	\$ 1,935,061

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Net Position of Business-Type Activities

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

Totals	Governmental Activities Internal Service Funds
21,806,281	1,231,503
977,967	-
25,574,045	928,159
48,358,293	\$ 2,159,662
1,591,649	
\$ 49,949,942	

CITY OF SHASTA LAKE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			
	Water	Electric	Wastewater	Other Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 2,518,565	\$ 19,271,837	\$ 2,584,526	\$ -
Other revenue	24,011	335,841	1,680	47,344
Total Operating Revenues	<u>2,542,576</u>	<u>19,607,678</u>	<u>2,586,206</u>	<u>47,344</u>
OPERATING EXPENSES				
Salaries and benefits	1,171,668	2,044,525	1,044,718	-
Administration	467,158	2,672,770	469,402	10,088
Power	292,629	13,886,118	212,213	33,390
Insurance	10,654	72	17,562	631
Supplies	80,280	49,109	39,157	52
Repair and maintenance	38,238	183,804	57,137	5,004
Professional services	44,064	60,199	34,019	9,244
Depreciation	455,917	755,479	817,968	23,464
Other expense	7,170	50,007	11,934	4,796
Total Operating Expenses	<u>2,567,778</u>	<u>19,702,083</u>	<u>2,704,110</u>	<u>86,669</u>
Operating Income (Loss)	<u>(25,202)</u>	<u>(94,405)</u>	<u>(117,904)</u>	<u>(39,325)</u>
NON-OPERATING REVENUES (EXPENSES)				
Assessment revenue	-	-	-	51,087
Interest income	8,863	142,824	5,520	-
Interest expense	(140,446)	(391,063)	(1,754)	(45,631)
Total Non-Operating Revenues (Expenses)	<u>(131,583)</u>	<u>(248,239)</u>	<u>3,766</u>	<u>5,456</u>
Income (Loss) Before Transfers	<u>(156,785)</u>	<u>(342,644)</u>	<u>(114,138)</u>	<u>(33,869)</u>
Transfers in	95,000	-	-	15,000
Change in Net Position	<u>(61,785)</u>	<u>(342,644)</u>	<u>(114,138)</u>	<u>(18,869)</u>
Total Net Position - Beginning	10,259,799	24,227,515	12,645,017	1,953,930
Cumulative effect of a change in accounting principal	-	(190,532)	-	-
Total Net Position - Beginning, Restated	<u>10,259,799</u>	<u>24,036,983</u>	<u>12,645,017</u>	<u>1,953,930</u>
Total Net Position - Ending	<u>\$ 10,198,014</u>	<u>\$ 23,694,339</u>	<u>\$ 12,530,879</u>	<u>\$ 1,935,061</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in Net Position of Business-Type Activities

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

Totals	Governmental Activities Internal Service Funds
\$ 24,374,928	\$ 2,672,078
408,876	1,680
24,783,804	2,673,758
4,260,911	1,540,211
3,619,418	597,424
14,424,350	-
28,919	1,761
168,598	21,590
284,183	125,911
147,526	32,810
2,052,828	205,502
73,907	-
25,060,640	2,525,209
(276,836)	148,549
51,087	-
157,207	-
(578,894)	(12,355)
(370,600)	(12,355)
(647,436)	136,194
110,000	-
(537,436)	136,194
	2,023,468
	-
	2,023,468
	\$ 2,159,662
(91,217)	
\$ (628,653)	

CITY OF SHASTA LAKE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			
	Water	Electric	Wastewater	Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,602,966	\$ 19,452,973	\$ 2,585,130	\$ 53,482
Receipts from interfund services	-	-	-	-
Payments to suppliers	(490,554)	(14,141,049)	(961,496)	(54,239)
Payments to interfund services	(1,230,491)	(2,043,446)	(445,288)	(10,088)
Payments to employees	(369,227)	(2,062,468)	(449,026)	-
Net Cash Provided (Used) by Operating Activities	512,694	1,206,010	729,320	(10,845)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Grants, assessments, and other receipts	-	36,500	-	64,351
Transfers from other funds	95,000	-	-	15,000
Interfund loan received	116,132	-	116,936	-
Interfund loans made	-	(1,347,653)	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	211,132	(1,311,153)	116,936	79,351
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(340,114)	(84,759)	(180,085)	-
Principal paid on debt	(184,364)	(510,000)	-	(25,000)
Interest paid on debt	(142,672)	(396,800)	(1,754)	(46,069)
Net Cash Provided (Used) by Capital and Related Financing Activities	(667,150)	(991,559)	(181,839)	(71,069)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	8,863	157,730	5,520	-
Net Cash Provided (Used) by Investing Activities	8,863	157,730	5,520	-
Net Increase (Decrease) in Cash and Cash Equivalents	65,539	(938,972)	669,937	(2,563)
Balances - Beginning	2,445,506	15,415,340	2,167,117	3,077
Balances - Ending	\$ 2,511,045	\$ 14,476,368	\$ 2,837,054	\$ 514

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

<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
\$24,694,551	\$ 25,120
-	2,672,078
(15,647,338)	(393,523)
(3,729,313)	(379,553)
<u>(2,880,721)</u>	<u>(1,571,602)</u>
2,437,179	352,520
100,851	-
110,000	-
233,068	409,753
<u>(1,347,653)</u>	<u>-</u>
<u>(903,734)</u>	<u>409,753</u>
(604,958)	(408,788)
(719,364)	(51,387)
<u>(587,295)</u>	<u>(12,354)</u>
<u>(1,911,617)</u>	<u>(472,529)</u>
172,113	-
172,113	-
(206,059)	289,744
<u>20,031,040</u>	<u>467,611</u>
<u>\$19,824,981</u>	<u>\$ 757,355</u>

CITY OF SHASTA LAKE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			
	Water	Electric	Wastewater	Other Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (25,202)	\$ (94,405)	\$ (117,904)	\$ (39,325)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	455,917	755,479	817,968	23,464
Decrease (increase) in:				
Accounts receivable	24,340	3,323	(1,078)	6,139
Deposits	-	(158,028)	-	-
Prepaid costs	82,350	425,441	-	-
Inventory	(834)	(38,170)	-	-
Other post employment benefits asset	(24,400)	(20,359)	3,957	-
Increase (decrease) in:				
Accounts payable	25,680	330,313	25,404	(1,123)
Salaries and benefits payable	(246)	4,807	(790)	-
Deposits payable	(20,690)	-	-	-
Compensated absences	(4,221)	(2,391)	1,763	-
Net Cash Provided (Used) by Operating Activities	\$ 512,694	\$ 1,206,010	\$ 729,320	\$ (10,845)

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

Totals	Governmental Activities Internal Service Funds
\$ (276,836)	\$ 148,549
2,052,828	205,502
32,724	23,439
(158,028)	-
507,791	-
(39,004)	-
(40,802)	(29,227)
380,274	6,423
3,771	2,082
(20,690)	-
(4,849)	(4,248)
\$ 2,437,179	\$ 352,520

CITY OF SHASTA LAKE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Current Assets:		
Cash and investments	\$ 550,370	\$ 227,412
Cash with fiscal agent	488,584	-
Receivables:		
Taxes	-	502
Total Current Assets	1,038,954	227,914
Noncurrent Assets:		
Capital assets:		
Non-depreciable	931,356	-
Total Noncurrent Assets	931,356	-
Total Assets	1,970,310	227,914
LIABILITIES		
Current Liabilities:		
Accounts payable	1,540	250
Interest payable	19,121	-
Unearned revenues	250,939	-
Loans payable	255,000	-
Agency obligations	-	227,664
Total Current Liabilities	526,600	227,914
Noncurrent Liabilities:		
Loan payable	4,280,000	-
Total Noncurrent Liabilities	4,280,000	-
Total Liabilities	4,806,600	227,914
NET POSITION		
Net position held in trust	\$ (2,836,290)	\$ -

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

CITY OF SHASTA LAKE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
Taxes and assessments	\$ 970,198
Interest income	<u>1,119</u>
Total Additions	<u>971,317</u>
DEDUCTIONS	
Administrative expenses	436,189
Interest expense	<u>239,870</u>
Total Deductions	<u>676,059</u>
Net Change in Net Position	<u>295,258</u>
Net Position - Beginning	(2,907,312)
Prior period adjustment	<u>(224,236)</u>
Net Position - Beginning, Restated	<u>(3,131,548)</u>
Net Position - Ending	<u><u>\$ (2,836,290)</u></u>

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

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City operates under a Council form of government and provides the following services: sanitation, electric, water, and wastewater services; the construction and maintenance of highways, streets and infrastructure; recreational activities and cultural events.

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

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

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City Council. The financial statements of the individual component units may be obtained by writing to the City of Shasta Lake, 1650 Stanton Drive, Shasta Lake, CA 96019.

Blended Component Units

Shasta Lake Public Financing Authority (PFA) - The Authority, established in 1994, was created for the purpose of financing public capital improvements. City Council members, in a separate session, serve as the governing board of the PFA. The financing activity of the PFA has been included in the City's financial statements in the governmental funds.

The City of Shasta Lake Housing Authority - The Authority, established in 1994, was created for the purpose of administering housing programs. The housing programs and services are clustered in two broad categories: affordable housing and special projects. Because of the nature of the programs and their intended outcomes, the categories will often overlap.

Discretely Presented Component Units

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Joint Agencies

The City is a participant in the Redding Area Bus Authority (RABA), the purpose of which is to provide a public transit system to the City of Redding, City of Anderson, City of Shasta Lake, and adjacent urbanized areas in unincorporated areas of Shasta County. The governing board of RABA is comprised of eight members, five appointed by the City of Redding and one member by the City of Anderson, City of Shasta Lake, and Shasta County. Complete financial statements for RABA can be obtained from the City of Redding Finance Division, 777 Cypress Avenue, Redding, California 96001. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the City and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent, on fees charged to external parties.

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

Fund Financial Statements

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The City reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General fund includes such activities as general government, public protection, community development, public ways and facilities, planning, and culture and recreation services.
- The HOME fund is a special revenue fund used to account for the HOME grant program. Funding comes primarily from grant revenues.
- The Wastewater Treatment Debt fund is a debt service fund used to account for revenues and expenditures related to the 1995 Wastewater Revenue Bonds.

The City reports the following major proprietary funds:

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

The City reports the following additional fund types:

- Internal Service funds (ISF) account for the City's motor pool and public works departments, which provide services to other departments on a cost reimbursement basis.
- The Private Purpose Trust funds account for property held under other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The Private Purpose Trust fund includes the Successor Agency to the Redevelopment Agency of the City of Shasta Lake.
- Agency funds account for resources held by the City as an agent for various local governments and for individuals. These resources include community facility districts.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service 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 nonoperating revenues and expenses.

Fiduciary funds include trust funds and agency funds. All trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

E. Cash, Cash Equivalents, and Investments

The City pools cash and investments of all funds, except cash with fiscal agent. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Interest from pooled investments is allocated to the various funds based on average balances of the funds entitled to receive interest. Interest is allocated on the basis of average month end cash balance amounts for each fund as a percentage of the total balance.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash, Cash Equivalents, and Investments (Continued)

Investments are reported in the accompanying balance sheet at fair value, which is determined using selected bases annually. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

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

F. Restricted Cash and Investments

Restricted assets in the governmental funds represent cash and investments held in the General fund for customer utility deposits of \$539,745, in the Wastewater Debt fund for debt service of \$255,463, and in the Rosamond Debt Service fund for debt service of \$3,500. Restricted assets in the proprietary funds represent cash and investments held in the Water fund for debt service of \$59,662 and in the Electric fund for debt service of \$909,303.

G. Receivables

Receivables for governmental activities consist mainly of accounts, interest, taxes, intergovernmental revenues, and special assessments. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. At June 30, 2014, the allowance for doubtful accounts was \$466.

Receivables for business-type activities consist mainly of accounts, user fees, interest, taxes, and special assessments. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. At June 30, 2014, the allowance for doubtful accounts was \$5,912.

H. Other Assets

Inventory

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

Inventories are stated at cost for proprietary funds. Inventory recorded by the proprietary funds includes electric power equipment. Proprietary fund inventories are recorded as expenses when consumed.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Assets (Continued)

Prepaid Costs

Payments made for services that will benefit periods beyond June 30, 2014, are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

I. Loans Receivable

For the purpose of the governmental fund financial statements, special revenue fund expenditures relating to long-term loans receivable arising from mortgage subsidy programs are charged to operations upon funding and the loans receivable are recorded. The balance of the long-term receivable includes loans that may be forgiven if certain terms and conditions of the loans are met. The City reported \$4,630,098 in loans receivable as of June 30, 2014.

J. Land Held for Resale

Land held for resale is generally acquired under Developer Disposition Agreements in the normal course of Low and Moderate Fund activity. The Developer Disposition Agreements provide for transfer of property to developers after certain obligations have been fulfilled. This property is carried at cost until an event occurs to indicate a net realizable value.

K. Capital Assets

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer, and similar items) are defined by the City as assets with a cost greater than \$5,000 for equipment, \$25,000 for buildings and improvements, and \$50,000 for infrastructure assets. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their estimated fair market value at the date of donation.

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

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Electric, water and wastewater system assets	20-50 years
Other system assets	20-33 years
Buildings	33 years
Equipment	5-10 years
Infrastructure	20-50 years

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Property Tax

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

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

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

M. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

N. Interfund Transactions

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

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

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

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

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Unearned Revenues

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

P. Compensated Absences

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds and in the government-wide financial statements is recorded as an expense and liability of those funds as the benefits accrue to employees.

Sick leave, however, does not vest to the employees and is payable only when sick leave is taken or when an individual has been employed by the City for ten years or longer. These employees receive twenty-five percent of their accrued sick pay, up to 100 hours, as additional termination pay.

In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is estimated to be taken as additional termination pay.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2014, the City did not have any deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

R. Estimates

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Implementation of Governmental Accounting Standards Board Statements (GASB)

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

Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. This statement improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Fund Balance/Net Position

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as restatements of beginning fund balance/net position. During the current year adjustments to fund balance were required to correct previous errors. In addition, the City recorded a cumulative effect of a change in accounting principle for the unamortized costs of issuance, which should have been recorded in a prior year.

The impact of the restatement on the net position on the government-wide financial statements, as previously reported, is presented below:

	Business-Type Activities
Net Position, June 30, 2013, as previously reported	\$ 50,769,127
Adjustment associated with:	
Cumulative effect of a change in accounting principal	(190,532)
Total Adjustments	(190,532)
Net Position, July 1, 2013, as restated	<u>\$ 50,578,595</u>

The impact of the restatement on fund balance/net position on the fund financial statements, as previously reported, is presented below:

	General Fund	Electric Fund
Fund Balance/Net Position, June 30, 2013, as previously reported	\$ 2,833,865	\$ 24,227,515
Adjustment associated with:		
Correction of compensated absences	125,425	-
Cumulative effect of a change in accounting principal	-	(190,532)
Total Adjustments	<u>125,425</u>	<u>(190,532)</u>
Fund Balance/Net Position, July 1, 2013, as restated	<u>\$ 2,959,290</u>	<u>\$ 24,036,983</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Deficit Fund Balance/Net Position

The following nonmajor special revenue fund had a deficit fund balance:

- The CDBG Project fund had a fund balance deficit of \$50,301, which is expected to be eliminated in future years through grant revenues.

C. Rebtable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and financing and at June 30, 2014, does not expect to incur a liability.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2014, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 7,639,549
Business-Type activities	20,582,336
Fiduciary Funds	<u>1,266,366</u>
Total Cash and Investments	<u>\$ 29,488,251</u>

As of June 30, 2014, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 2,000
Deposits (less outstanding checks)	948,405
Deposits with fiscal agents	<u>1,397,886</u>
Total Cash	<u>2,348,291</u>
Investments:	
In City's pool	26,828,787
Investments with fiscal agents	<u>311,173</u>
Total Investments	<u>27,139,960</u>
Total Cash and Investments	<u>\$ 29,488,251</u>

B. Cash

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and deposits with fiscal agents) was \$2,346,291 and the bank balance was \$2,186,619. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition the City had cash on hand of \$2,000.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Cash (Continued)

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

C. Investments

Pursuant to Section 53646 of the Government Code, the City prepares an investment policy annually and presents it to the City Council for review and approval.

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

- Municipal Securities
- U.S. Treasuries
- Federal Agencies
- Banker's Acceptances
- Federally Insured Time Deposits
- Collateralized Time Deposits
- Certificate of Deposit Placement Service (CDARS)
- Negotiable Certificates of Deposit
- Repurchase Agreement
- Commercial Paper
- State of California Local Agency Investment Fund (LAIF)
- Corporate Medium Term Notes
- Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and
Collateralized Mortgage Obligations
- Money Market Mutual Funds

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2014, the City had the following investments:

Investment Type	Interest Rates	Maturities			Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years	5 years		
Pooled Investments						
Federal Agencies	0.375-0.625%	\$ -	\$ 520,143	\$ -	\$ 520,143	1.85
U.S. Treasuries	0.375-0.625%	-	440,351	-	440,351	1.84
Asset-Backed Securities	0.52-0.92%	-	270,359	-	270,359	3.09
Mortgage-Backed Securities	9.5%	-	-	151	151	6.15
Negotiable CD's	0.50-3.15%	2,504,097	2,396,681	-	4,900,778	0.95
Shasta County Investment Pool	Variable	3,005	-	-	3,005	-
Local Agency Investment Fund (LAIF)	Variable	20,694,000	-	-	20,694,000	-
Total Pooled Investments		<u>23,201,102</u>	<u>3,627,534</u>	<u>151</u>	<u>26,828,787</u>	<u>0.27</u>
Investments Held by Fiscal Agents						
U.S. Treasuries		-	311,173	-	311,173	3.13
Total Investments Held by Fiscal Agents		<u>-</u>	<u>311,173</u>	<u>-</u>	<u>311,173</u>	<u>3.13</u>
Total Investments		<u>\$ 23,201,102</u>	<u>\$ 3,938,707</u>	<u>\$ 151</u>	<u>\$ 27,139,960</u>	<u>0.30</u>

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. Presented below is the minimum rating required (where applicable) by the California Government Code or the City's investment policy, and the actual rating as of year end for each investment type.

Investment Type	Minimum Legal Rating	Standard and Poor's Rating	Moody's Rating	% of Portfolio
Federal National Mortgage Association	N/A	AA+	Aaa	1.92%
U.S. Treasuries	N/A	AA+	Aaa	2.77%
Asset-Backed Securities	A	AAA	Aaa	1.00%
Mortgage-Backed Securities	A	AAA	NR	0.00%
Negotiable CD's	N/A	Unrated	Unrated	18.06%
Shasta County Investment Pool	N/A	Unrated	Unrated	0.01%
Local Agency Investment Fund (LAIF)	N/A	Unrated	Unrated	76.24%
Total				<u>100.00%</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk for Investments - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the City's investment policy requires that all of its managed investments shall be held in the name of the City in safekeeping by a third party bank trust department. Custodial credit risk does not apply to a local government's indirect investments in securities through use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. At June 30, 2014, the City did not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5 percent or more of total City investments.

D. Investment in External Investment Pools

Investment in Local Agency Investment Fund - The City of Shasta Lake is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code and is managed by the Treasurer of the State of California. The Local Investment Advisory Board (LAIF Board) has oversight responsibility for LAIF. The LAIF Board consists of five members as designated by State statute. Investments in LAIF are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the City's position in the pool is the same as the value of the pooled shares. At June 30, 2014, the City's investment position in LAIF was \$20,694,000. The total amount invested by all public agencies in LAIF on that day was \$64,846,169,129. Of that amount, 98.14% is invested in non-derivative financial products and 1.86% in structured notes and asset-backed securities.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014, was as follows:

Governmental Activities

	Balance				Balance
	July 1, 2013	Additions	Retirements	Adjustments	June 30, 2014
Capital Assets, Not Being Depreciated:					
Land, easements, and right of way	\$ 3,700,494	\$ -	\$ -	\$ -	\$ 3,700,494
Construction in progress	<u>6,978,071</u>	<u>-</u>	<u>-</u>	<u>(6,975,041)</u>	<u>3,030</u>
Total Capital Assets, Not Being Depreciated	<u>10,678,565</u>	<u>-</u>	<u>-</u>	<u>(6,975,041)</u>	<u>3,703,524</u>
Capital Assets, Being Depreciated:					
Infrastructure and land improvements	51,294,728	434,135	-	6,155	51,735,018
Buildings and improvements	1,822,546	-	-	6,968,886	8,791,432
Machinery and equipment	601,540	5,814	-	-	607,354
Vehicles	<u>34,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,571</u>
Total Capital Assets, Being Depreciated	<u>53,753,385</u>	<u>439,949</u>	<u>-</u>	<u>6,975,041</u>	<u>61,168,375</u>
Less Accumulated Depreciation For:					
Infrastructure and land improvements	(10,699,449)	(1,065,333)	-	-	(11,764,782)
Buildings and improvements	(1,027,325)	(68,577)	-	-	(1,095,902)
Machinery and equipment	(375,460)	(26,031)	-	-	(401,491)
Vehicles	<u>(34,571)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,571)</u>
Total Accumulated Depreciation	<u>(12,136,805)</u>	<u>(1,159,941)</u>	<u>-</u>	<u>-</u>	<u>(13,296,746)</u>
Total Capital Assets, Being Depreciated, Net	<u>41,616,580</u>	<u>(719,992)</u>	<u>-</u>	<u>6,975,041</u>	<u>47,871,629</u>
Governmental Activities Capital Assets, Net	<u>\$ 52,295,145</u>	<u>(\$ 719,992)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,575,153</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 4: CAPITAL ASSETS (CONTINUED)

Business-Type Activities

	Balance July 1, 2013	Additions	Retirements	Adjustments	Balance June 30, 2014
Capital Assets, Not Being Depreciated:					
Land	\$ 2,122,396	\$ -	\$ -	\$ -	\$ 2,122,396
Construction in progress	<u>507,442</u>	<u>224,155</u>	<u>-</u>	<u>(371,768)</u>	<u>359,829</u>
Total Capital Assets, Not Being Depreciated	<u>2,629,838</u>	<u>224,155</u>	<u>-</u>	<u>(371,768)</u>	<u>2,482,225</u>
Capital Assets, Being Depreciated:					
General and utility plant	65,456,998	290,425	-	371,768	66,119,191
Buildings and improvements	1,907,182	212,217	-	-	2,119,399
Equipment and vehicles	<u>3,621,562</u>	<u>286,948</u>	<u>(833)</u>	<u>-</u>	<u>3,907,677</u>
Total Capital Assets, Being Depreciated	<u>70,985,742</u>	<u>789,590</u>	<u>(833)</u>	<u>371,768</u>	<u>72,146,267</u>
Less Accumulated Depreciation For:					
General and utility plant	(30,671,415)	(1,817,575)	-	-	(32,488,990)
Buildings and improvements	(904,101)	(40,300)	-	-	(944,401)
Equipment and vehicles	<u>(4,855,947)</u>	<u>(400,455)</u>	<u>833</u>	<u>-</u>	<u>(5,255,569)</u>
Total Accumulated Depreciation	<u>(36,431,463)</u>	<u>(2,258,330)</u>	<u>833</u>	<u>-</u>	<u>(38,688,960)</u>
Total Capital Assets, Being Depreciated, Net	<u>34,554,279</u>	<u>(1,468,740)</u>	<u>-</u>	<u>371,768</u>	<u>33,457,307</u>
Business-Type Activities Capital Assets, Net	<u>\$ 37,184,117</u>	<u>(\$1,244,585)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,939,532</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 18,611
Public safety	30,476
Public ways and facilities	1,055,248
Planning	3,942
Culture and recreation	<u>51,664</u>
Total Depreciation Expense – Governmental Functions	<u>\$ 1,159,941</u>

Depreciation expense was charged to business-type functions as follows:

Water	\$ 455,917
Electric	755,479
Wastewater	817,968
Industrial Park	23,464
Internal Service Funds	<u>205,502</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 2,258,330</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 4: CAPITAL ASSETS (CONTINUED)

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on water projects, electric projects, and the wastewater treatment plant.

NOTE 5: INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due to and due from balances as of June 30, 2014:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 65,500	\$ -
HOME	-	3,000
Nonmajor Governmental Funds	-	62,500
Total	<u>\$ 65,500</u>	<u>\$ 65,500</u>

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not in spendable form. The following are advances to/from other funds as of June 30, 2014:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$ -	\$ 704,832
Water	-	116,132
Electric	1,347,653	-
Wastewater	-	116,936
Internal Service Funds	-	409,753
Total	<u>\$ 1,347,653</u>	<u>\$ 1,347,653</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2014:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 11,666	\$ 15,000
Nonmajor Governmental Funds	11,633	118,299
Water	95,000	-
Nonmajor Proprietary Funds	15,000	-
Total	<u>\$ 133,299</u>	<u>\$ 133,299</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 6: UNEARNED/UNAVAILABLE REVENUES

At June 30, 2014, components of unearned and unavailable revenues were as follows:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
General Fund			
Utility bill prepayments	\$ 19,286	\$ -	\$ 19,286
Wastewater Treatment Debt			
Special assessments receivable	-	3,113,000	3,113,000
Nonmajor Governmental Funds			
Unearned TDA revenues	174,322	-	174,322
CDBG receivable	-	46,101	46,101
Special assessments receivable	-	75,000	75,000
Total	<u>\$ 193,608</u>	<u>\$ 3,234,101</u>	<u>\$ 3,427,709</u>

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2013</u>	<u>Adjustments/ Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Loans	\$ 121,658	(\$ 3)	(\$ 8,243)	\$ 113,412	\$ 8,235
Revenue Bonds	3,203,000	(1,000)	(89,000)	3,113,000	92,000
Special Assessment Bonds	91,000	-	(16,000)	75,000	17,000
Compensated Absences	<u>125,425</u>	<u>74,649</u>	<u>(69,147)</u>	<u>130,927</u>	<u>74,649</u>
Total Governmental Activities	<u>\$ 3,541,083</u>	<u>\$ 73,646</u>	<u>(\$ 182,390)</u>	<u>\$ 3,432,339</u>	<u>\$ 191,884</u>
Business-Type Activities					
Loans	\$ 4,553,880	\$ -	(\$ 184,364)	\$ 4,369,516	\$ 190,496
Revenue Bonds	8,040,000	-	(510,000)	7,530,000	530,000
Special Assessment Bonds	890,000	-	(25,000)	865,000	25,000
Capital Lease Obligation	188,621	-	(51,389)	137,232	53,353
Compensated Absences	<u>187,261</u>	<u>114,717</u>	<u>(123,814)</u>	<u>178,164</u>	<u>113,582</u>
Total Business-Type Activities	<u>\$ 13,859,762</u>	<u>\$ 114,717</u>	<u>(\$ 894,567)</u>	<u>\$ 13,079,912</u>	<u>\$ 912,431</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities.

For governmental activities, the capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred. Principal and interest payments for the governmental activities are generally paid by a debt service fund.

For the business-type activities, all debt is accounted for in the proprietary fund where the liability occurred.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2014, are as follows:

Governmental Activities

Loans:

Davis-Grunsky Loan - Transferred from Shasta Dam Area Public Utility District - voter approved 1972, \$408,538 construction loan under the Davis-Grunsky Act for construction of the complete Summit City water system, due in semi-annual installments, including interest at 2.5% per annum, totaling approximately \$11,000 until maturity in 2026. Property tax is levied to finance debt service, and taxes levied in excess of actual requirements are legally restricted to servicing this debt. \$ 113,412

Total Loans 113,412

Revenue Bonds:

1995 Wastewater Revenue Bonds - Series A - Issued by the Shasta Lake Public Financing Authority to finance construction of the Wastewater Treatment Plant expansion. Principal payments, ranging from \$49,000 to \$210,000, are due annually on September 2, and mature September 2, 2034. Interest payments at 4.50% are due semi-annually. 2,768,000

1995 Wastewater Revenue Bonds - Series B - Issued by the Shasta Lake Public Financing Authority to finance construction of the Wastewater Treatment Plant expansion. Principal payments, ranging from \$6,000 to \$27,000, are due annually on September 2, and mature September 2, 2034. Interest payments at 4.50% are due semi-annually. 345,000

Total Revenue Bonds 3,113,000

Special Assessment Bonds:

Riddle Road Assessment Bonds- Transferred from Shasta Dam Area Public Utility District - voter approved 1989. \$64,932 issue of bonds (Farmers' Home Administration) for the assessment district share of construction costs for the Riddle Road water system. Principal payments, ranging from \$900 to \$4,000, plus interest at 5%, are due annually on September 2. Final maturity of the issue is scheduled for 2029. 40,000

Rosamond Assessment District Bonds - Bonds were issued to fund the construction of street improvements and engineering costs within the Rosamond Avenue Area Assessment District. Principal payments, ranging from \$4,277 to \$20,000, are due annually on September 2, and mature September 2, 2015. Interest payments at 7.5% are due semi-annually. Property tax will be levied to finance debt service and will be legally restricted to servicing this debt. 35,000

Total Special Assessment Bonds 75,000

Total Governmental Activities \$ 3,301,412

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Loans:

State of California Infrastructure Bank Water Loan - Loan payable to Infrastructure and Economic Development Bank for the Reservoir and Water System Improvement Project (Project). The original amount of the loan was \$5,000,000. The loan is payable in annual principal payments ranging from \$115,944 to \$259,579 with interest payable semi-annually at an annual rate of 3.03%. The loan also consists of an annual fee ranging from \$779 to \$15,000. The loan is amortized over 30 years with the final payment due in 2034.

\$ 4,110,773

State of California Safe Drinking Water Act Loan - Transferred from Shasta Dam Area Public Utility District - an agreement with the State of California Department of Water Resources for the funding of the construction of a filtration plant to meet safe drinking water standards established pursuant to Chapter 7 of Part 1 of Division 5 of the Health and Safety code, resulted in the creating of a loan payable to the State of California in the original amount of \$988,000. The loan is payable in semi-annual principal installments ranging from \$8,450 to \$28,340 with interest at 4.1439%. The note is amortized over 30 years with the final payment due in 2019.

258,743

Total Loans

4,369,516

Capital Lease:

Wells Fargo Equipment Finance, Inc. - Financing of \$308,513 was provided to assist the City in purchasing a used vac-con sewer and storm drain cleaner and hydro excavation unit. Payments of \$4,800 are due monthly, including interest at 3.76%. The lease is secured by equipment and matures in December, 2016.

137,232

Total Capital Lease

137,232

Revenue Bonds:

2005 Refunding Installment Sale Revenue Bonds - The bonds were issued by the Shasta Lake Public Financing Authority to defease and refund the Shasta Lake Public Financing Authority 2002 Installment Sale Revenue Bonds (Electric Enterprise Project), to fund the reserve fund and to pay costs of issuance. Principal payments ranging from \$385,000 to \$865,000 are due annually on April 1, and mature April 1, 2025. Interest payments ranging from 2.6% to 5% are due semi-annually.

7,530,000

Total Revenue Bonds

7,530,000

Special Assessment Bonds:

Industrial Park Assessment Bonds - Transferred from Shasta Dam Area Public Utility District - approved 1991, \$1,202,700 issue of bonds (Farmers' Home Administration) for the Assessment District's share of construction costs for the Shasta Gateway Industrial Park infrastructure. Principal payments ranging from \$12,700 to \$70,000 are due annually on September 2, and mature February 2, 2032. Interest payments at 5.25% are due semi-annually.

865,000

Total Special Assessment Bonds

865,000

Total Business-Type Activities

\$ 12,901,748

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities and capital leases which are reported in Note 8.

Governmental Activities

Year Ended June 30	Loans		
	Principal	Interest	Total
2015	\$ 8,235	\$ 2,738	\$ 10,973
2016	8,441	2,533	10,974
2017	8,652	2,312	10,964
2018	8,869	2,098	10,967
2019	9,090	1,873	10,963
2020-2024	48,976	5,795	54,771
2025-2026	21,149	737	21,886
Total	<u>\$ 113,412</u>	<u>\$ 18,086</u>	<u>\$ 131,498</u>

Year Ended June 30	Revenue Bonds		
	Principal	Interest	Total
2015	\$ 92,000	\$ 138,015	\$ 230,015
2016	96,000	133,785	229,785
2017	101,000	129,353	230,353
2018	105,000	124,718	229,718
2019	109,000	119,903	228,903
2020-2024	628,000	519,345	1,147,345
2025-2029	786,000	360,675	1,146,675
2030-2034	973,000	163,868	1,136,868
2035	223,000	5,017	228,017
Total	<u>\$ 3,113,000</u>	<u>\$ 1,694,679</u>	<u>\$ 4,807,679</u>

Year Ended June 30	Special Assessment Debt		
	Principal	Interest	Total
2015	\$ 16,000	\$ 3,913	\$ 19,913
2016	22,000	2,500	24,500
2017	2,000	1,650	3,650
2018	2,000	1,550	3,550
2019	2,000	1,450	3,450
2020-2024	10,000	5,725	15,725
2025-2029	17,000	2,175	19,175
2030	4,000	-	4,000
Total	<u>\$ 75,000</u>	<u>\$ 18,963</u>	<u>\$ 93,963</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Year Ended <u>June 30</u>	Loans		
	Principal	Interest	Total
2015	\$ 190,491	\$ 132,628	\$ 323,119
2016	196,814	126,240	323,054
2017	203,351	119,635	349,986
2018	210,111	112,806	322,917
2019	217,043	105,659	322,702
2020-2024	881,249	442,622	1,323,871
2025-2029	1,023,098	298,624	1,321,722
2030-2034	1,187,779	131,448	1,319,227
2035	259,580	3,933	263,513
Total	\$ 4,369,516	\$ 1,473,595	\$ 5,870,111

Year Ended <u>June 30</u>	Revenue Bonds		
	Principal	Interest	Total
2015	\$ 530,000	\$ 373,850	\$ 903,850
2016	555,000	350,000	905,000
2017	585,000	322,250	907,250
2018	615,000	293,000	908,000
2019	645,000	262,250	907,250
2020-2024	3,735,000	794,750	4,529,750
2025	865,000	43,250	908,250
Total	\$ 7,530,000	\$ 2,439,350	\$ 9,969,350

Year Ended <u>June 30</u>	Special Assessment Bonds		
	Principal	Interest	Total
2015	\$ 25,000	\$ 44,756	\$ 69,756
2016	30,000	43,313	73,313
2017	30,000	41,738	71,738
2018	30,000	40,163	70,163
2019	35,000	38,457	73,457
2020-2024	200,000	162,488	362,488
2025-2029	255,000	103,034	358,034
2030-2032	260,000	28,089	288,089
Total	\$ 865,000	\$ 502,038	\$ 1,367,038

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 8: LEASES

Capital Leases

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

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30, 2014</u>
Governmental activities	3.76%	\$ 137,232
Total		<u>\$ 137,232</u>

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

	<u>Governmental Activities</u>
Cost of equipment	\$ 308,513
Less: accumulated depreciation	(123,405)
Net Value	<u>\$ 185,108</u>

As of June 30, 2014, capital lease annual amortization was as follows:

	<u>Governmental Activities</u>
Year Ending June 30:	
2015	\$ 57,598
2016	57,598
2017	<u>28,810</u>
Total Requirements	144,006
Less Interest	(6,774)
Present Value of Remaining Payments	<u>\$ 137,232</u>

NOTE 9: NET POSITION

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

- **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 9: NET POSITION (CONTINUED)

- **Unrestricted net position** - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$10,682,420 of restricted net position, of which \$5,357,558 is restricted by enabling legislation.

Net Position Flow Assumption

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

NOTE 10: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2014, fund balance for governmental funds are made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted with consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the City’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 10: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2014, were distributed as follows:

	<u>General</u>	<u>HOME</u>	<u>Wastewater Treatment Debt</u>	<u>Other Govern- mental Funds</u>	<u>Total</u>
Restricted For:					
Customer deposits	\$ 539,745	\$ -	\$ -	\$ -	539,745
General plan maintenance fee	60,419	-	-	-	60,419
Information technology	41,528	-	-	-	41,528
HOME	-	3,963,750	-	-	3,963,750
Wastewater treatment debt	-	-	557,706	-	557,706
Law enforcement COPS	-	-	-	3,740	3,740
Water P&FCC charges	-	-	-	14,202	14,202
State trafficway	-	-	-	2,169,558	2,169,558
Electric P&FCC charges	-	-	-	231,616	231,616
CDBG housing rehabilitation	-	-	-	185,543	185,543
Wastewater P&FCC charges	-	-	-	490,930	490,930
Parks P&FCC charges	-	-	-	81,126	81,126
Former RDA low/mod housing	-	-	-	1,242,975	1,242,975
Rosamond debt service	-	-	-	26,995	26,995
Riddle road water bond	-	-	-	7,571	7,571
Davis-Grunsky Act loan	-	-	-	77,638	77,638
California sewer loan	-	-	-	8,411	8,411
Subtotal	<u>641,692</u>	<u>3,963,750</u>	<u>557,706</u>	<u>4,540,305</u>	<u>9,703,453</u>
Assigned for:					
CalPERS debt	704,831	-	-	-	704,831
Accounts payable	145,820	-	-	-	145,820
Payroll	179,733	-	-	-	179,733
Developer deposits	<u>16,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,222</u>
Subtotal	<u>1,046,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,046,606</u>
Unassigned	<u>719,127</u>	<u>-</u>	<u>-</u>	<u>(50,301)</u>	<u>668,826</u>
Total	<u><u>\$2,407,425</u></u>	<u><u>\$3,963,750</u></u>	<u><u>\$ 557,706</u></u>	<u><u>\$4,490,004</u></u>	<u><u>\$11,418,885</u></u>

Fund Balance Flow Assumption

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 10: FUND BALANCES (CONTINUED)

Fund Balance Policy

The City Council adopted the City of Shasta Lake Fund Balance Policy in 2011. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements, and establishes a hierarchy of fund balance expenditures. The policy also provides for a measure of financial protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54.

NOTE 11: EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The City contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office - 400 Q Street, Lincoln Plaza East, Sacramento, CA 95811.

Effective January 1, 2013, the City added retirement tiers for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding.

B. Funding Policy

For active plan members preceding PEPRA, Miscellaneous Plan members pay 8% of their annual covered salary. For active plan members included in PEPRA, Miscellaneous Plan members pay 6.25% of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established by PERS. The required employer contribution rate for fiscal year 2013/2014 was 22.876% for the Miscellaneous Plan.

The City's contributions for the years ending June 30, 2014, 2013, and 2012 were \$551,046, \$682,448, and \$640,536 for the Miscellaneous plan, which equaled the required contributions each year.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The City provides continuation of medical insurance coverage to employees that retire under the California Public Employees' Retirement System (CalPERS) (an agent multiple-employer plan administered by CalPERS) at the same time they end their service to the City. Based on collective bargaining agreements, the retiree and his or her beneficiaries receive this coverage for the life of the retiree with the option for surviving spouse coverage. The retiree's share of premium cost based on the PEMHCA (CalPERS medical program) "unequal method" ranges from 0% to 100%, depending on the employee group. The remaining premium is paid by the City. The state legislation which covers CalPERS has established that the retirees receive the same healthcare benefits that are offered to the active employees and established the retirees' share of premium cost and the state may amend this legislation. The City Council establishes and may amend the benefits offered.

A qualified Internal Revenue Code Section 115 trust has been established for the plan with the California Employers Retiree Benefit Trust (CERBT). CERBT administers each plan's assets. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained from CalPERS Employer Services Division, P.O. Box 942709, Sacramento, California 94229-2709.

B. Funding Policy

The contribution requirements of the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Council. For fiscal year 2014, the City contributed \$282,689 to the plan, including \$130,364 in retiree premiums.

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the City's net OPEB obligation (asset).

Annual required contribution	\$ 375,601
Interest on net OPEB obligation	(105,926)
Adjustment to annual required contribution	<u>129,852</u>
Annual OPEB cost	399,527
Contributions made:	
Pay as you go contribution	(130,364)
Additional funding contribution	<u>(152,325)</u>
Increase (Decrease) in net OPEB obligation	116,838
Net OPEB Obligation (Asset) Beginning	<u>(1,513,232)</u>
Net OPEB Obligation (Asset) Ending	<u><u>(\$ 1,396,394)</u></u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

The City's net OPEB obligation is presented on the Government-wide financial statements as follows:

Other postemployment benefits asset	\$ 1,888,407
Other postemployment benefits liability	(492,013)
Net OPEB obligation	<u>\$ 1,396,394</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the current and prior two years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2012	\$ 340,442	142%	(\$ 1,417,595)
June 30, 2013	382,462	125%	(1,513,232)
June 30, 2014	399,527	70.8%	(1,396,394)

D. Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 72.7 percent funded. The actuarial accrued liability was \$4,972,624 and the actuarial value of assets was \$3,617,042, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,355,582. The covered payroll (annual payroll of employees covered by the plan) was \$2,974,155, and the ratio of the UAAL to the covered payroll was 45.6 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information (as it becomes available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

E. Actuarial Methods and Assumptions (Continued)

In the July 1, 2011 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 7 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after eight years. Both rates included a 3.25 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level dollar amount. The remaining amortization period at June 30, 2013, was twenty-five years.

NOTE 13: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The City maintains insurance coverage from a commercial carrier for its medical, short-term and long-term disability, and dental and vision plan. There is no claims liability to be reported based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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

The City is a member of the Small Cities Organization Risk Effort joint powers authority (SCORE), which provides the City with liability coverage with limits of \$40,000,000 for each occurrence, workers' compensation coverage with limits to \$4,850,000 for each occurrence and property coverage for replacement. SCORE provides these limits and coverage by participating in the California Joint Powers Risk Management Authority (CJPRMA) for excess liability and Local City Workers' Compensation Excess Liability joint powers authority (LAWCX) for excess workers' compensation. Property coverage is obtained by a group purchase from insurance companies with the City's deductible being \$10,000 each claim for vehicles and property.

NOTE 14: OTHER INFORMATION

A. Commitments and Contingencies

The City has signed an agreement to construct capital improvements subsequent to June 30, 2014, the balance owed on the commitment at June 30, 2014 was \$16,500.

The City has entered into a contract with the Shasta County Sheriff's Office in the amount of \$2,321,000 to provide law enforcement services. The City also is contractually committed to purchase power from various agencies in the amount of \$1,763,000.

The City is a defendant in various lawsuits. Management and Counsel believe the suits will not have a material adverse effect on the City's financial condition.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 14: OTHER INFORMATION (CONTINUED)

B. Successor Agency Trust for Assets of Former Redevelopment Agency

In accordance with Assembly Bill 1X26 and Assembly Bill 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The activity of the Successor Agency Trust for Assets of Former Redevelopment Agency (Successor Agency) is recorded in a private purpose trust.

During the year ended June 30, 2014, the Successor Agency reported a restatement of beginning net position as a result of implemented GASB Statement No. 63 and GASB Statement No. 65 items. The Successor Agency recorded a cumulative effect of a change in accounting principle for the unamortized costs of issuance which resulted in a reduced beginning Net Position of \$224,235.

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2013</u>	<u>Additions/ Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>	<u>Amounts Due Within One Year</u>
Tax Allocation Bonds	\$ 4,780,000	\$ -	(\$ 245,000)	\$ 4,535,000	\$ 255,000
Total	<u>\$ 4,780,000</u>	<u>\$ -</u>	<u>(\$ 245,000)</u>	<u>\$ 4,535,000</u>	<u>\$ 255,000</u>

Individual issues of debt payable outstanding at June 30, 2014, are as follows:

Tax Allocation Bonds:

2006 Tax Allocation Revenue Bonds, issued by the Shasta Lake Public Financing Authority in the amount of \$6,225,000 and payable in annual installments of \$175,000 to \$460,000, with an interest rate of 3.85% to 5.10% and maturity on June 1, 2027. The bonds were used to make a loan to the former Redevelopment Agency.

	<u>\$ 4,535,000</u>
Total Tax Allocation Bonds	<u>\$ 4,535,000</u>

Following is a schedule of debt payment requirements to maturity for long-term debt:

<u>Year Ended June 30</u>	<u>Tax Allocation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 255,000	\$ 229,457	\$ 484,457
2016	270,000	217,345	487,345
2017	280,000	204,250	484,250
2018	295,000	190,530	485,530
2019	310,000	175,780	485,780
2020-2024	1,805,000	627,730	2,432,730
2025-2027	<u>1,320,000</u>	<u>138,020</u>	<u>1,458,020</u>
Total	<u>\$ 4,535,000</u>	<u>\$ 1,783,112</u>	<u>\$ 6,318,112</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 14: OTHER INFORMATION (CONTINUED)

C. Subsequent Events

On October 23, 2014, the City completed the issuance of Tax Allocation Revenue Refunding Bonds in the amount of \$3,900,000 at the rate of 2 percent to 5 percent. The bonds were issued for the purpose of (i) refunding the outstanding Shasta Lake Public Financing Authority Tax Allocation Revenue Bonds Series 2006, (ii) funding a reserve fund insurance policy, (iii) funding a policy of bond insurance, and (iv) paying the costs of issuing the 2014 bonds.

Management has evaluated events subsequent to June 30, 2014 through January 9, 2015, the date on which the financial statements were available for issuance. Management has determined no other subsequent events requiring disclosure have occurred.

**Required Supplementary Information
(Unaudited)**

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CITY OF SHASTA LAKE
Required Supplementary Information
For the Year Ended June 30, 2014

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Schedule of Funding Progress - Other Postemployment Benefits provides a consolidated snapshot of the City's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

The table below shows a three year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2011 for the City Other Postemployment Benefit Plan.

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
July 1, 2011	\$ 3,617,042	\$ 4,972,624	\$ 1,355,582	72.7%	2,974,155	45.6%

CITY OF SHASTA LAKE
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 1,683,800	\$ 1,486,000	\$ 1,564,553	\$ 78,553
Licenses and permits	94,600	81,600	98,638	17,038
Fines and forfeitures	7,950	15,450	18,107	2,657
Use of money and property	11,250	11,250	16,702	5,452
Intergovernmental	766,500	848,202	748,837	(99,365)
Charges for services	3,126,748	3,013,748	3,082,745	68,997
Other revenues	24,700	27,700	164,769	137,069
Total Revenues	5,715,548	5,483,950	5,694,351	210,401
EXPENDITURES				
Current:				
General government:	2,116,515	2,770,986	2,636,025	134,961
Public safety	2,850,606	2,891,941	2,630,507	261,434
Public ways and facilities	68,616	53,679	43,009	10,670
Planning	399,346	494,404	510,886	(16,482)
Culture and recreation	251,048	249,048	246,507	2,541
Debt service:				
Interest	-	-	10,573	(10,573)
Capital outlay	-	144,518	165,375	(20,857)
Total Expenditures	5,686,131	6,604,576	6,242,882	361,694
Excess of Revenues Over (Under) Expenditures	29,417	(1,120,626)	(548,531)	572,095
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	11,666	11,666
Transfers out	-	-	(15,000)	(15,000)
Total Other Financing Sources (Uses)	-	-	(3,334)	(3,334)
Net Change in Fund Balance	29,417	(1,120,626)	(551,865)	568,761
Fund Balance - Beginning	2,833,865	2,833,865	2,833,865	-
Prior period adjustment	125,425	125,425	125,425	-
Fund Balance - Beginning, Restated	2,959,290	2,959,290	2,959,290	-
Fund Balance - Ending	\$ 2,988,707	\$ 1,838,664	\$ 2,407,425	\$ 568,761

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
HOME - Major Special Revenue Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 7,851	\$ 7,851
Intergovernmental	350,000	931,346	141,180	(790,166)
Total Revenues	<u>350,000</u>	<u>931,346</u>	<u>149,031</u>	<u>(782,315)</u>
EXPENDITURES				
Current:				
Community development	350,000	931,346	151,690	779,656
Total Expenditures	<u>350,000</u>	<u>931,346</u>	<u>151,690</u>	<u>779,656</u>
Net Change in Fund Balance	-	-	(2,659)	(2,659)
Fund Balance - Beginning	<u>3,966,409</u>	<u>3,966,409</u>	<u>3,966,409</u>	-
Fund Balance - Ending	<u>\$ 3,966,409</u>	<u>\$ 3,966,409</u>	<u>\$ 3,963,750</u>	<u>\$ (2,659)</u>

CITY OF SHASTA LAKE
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2014

BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year for the General fund, Special Revenue funds, and Debt Service funds and is controlled at the department level for the City. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant adjustments.

The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

- (1) The two year operating budget of the City is adopted by the City of Shasta Lake City Council prior to July 1 on even numbered years, primarily on the cash basis.
- (2) The City manager is authorized to transfer budget amounts between divisions within any fund; however, any revisions that alter the total expenditures of any fund requires City Council resolution.

The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

**Combining and Individual Fund Statements and
Schedules**

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Nonmajor Governmental Funds

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CITY OF SHASTA LAKE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds	Debt Service Funds	Totals
ASSETS			
Cash and investments	\$ 3,139,126	\$ 115,847	\$ 3,254,973
Receivables:			
Taxes	69,478	1,268	70,746
Intergovernmental	75,605	-	75,605
Special assessments	-	75,000	75,000
Restricted cash and investments	-	3,500	3,500
Land held for resale	644,927	-	644,927
Loans receivable	747,880	-	747,880
	\$ 4,677,016	\$ 195,615	\$ 4,872,631
LIABILITIES			
Accounts payable	\$ 8,496	\$ -	\$ 8,496
Due to other governments	8,333	-	8,333
Deposits payable	7,875	-	7,875
Due to other funds	62,500	-	62,500
Unearned revenues	174,322	-	174,322
	261,526	-	261,526
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	46,101	75,000	121,101
	46,101	75,000	121,101
FUND BALANCES			
Restricted	4,419,690	120,615	4,540,305
Unassigned	(50,301)	-	(50,301)
	4,369,389	120,615	4,490,004
	\$ 4,677,016	\$ 195,615	\$ 4,872,631

CITY OF SHASTA LAKE
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds	Debt Service Funds	Totals
REVENUES			
Taxes and assessments	\$ 470,755	\$ 38,887	\$ 509,642
Use of money and property	9,471	221	9,692
Intergovernmental	1,352,365	272	1,352,637
Charges for services	123,572	-	123,572
	1,956,163	39,380	1,995,543
Total Revenues			
EXPENDITURES			
Current:			
General government	24,665	2,368	27,033
Public safety	100,000	-	100,000
Public ways and facilities	938,078	-	938,078
Community development	236,416	-	236,416
Debt service:			
Principal	-	24,243	24,243
Interest	-	9,158	9,158
Capital outlay	274,574	-	274,574
	1,573,733	35,769	1,609,502
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	382,430	3,611	386,041
OTHER FINANCING SOURCES (USES)			
Transfers in	11,633	-	11,633
Transfers out	(118,299)	-	(118,299)
	(106,666)	-	(106,666)
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	275,764	3,611	279,375
Fund Balances - Beginning	4,093,625	117,004	4,210,629
Fund Balances - Ending	\$ 4,369,389	\$ 120,615	\$ 4,490,004

Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF SHASTA LAKE
Nonmajor Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenues that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. Nonmajor special revenue funds used by the City are listed below:

Law Enforcement Fund (COPS)

The Law Enforcement fund (COPS) accounts for the revenue and expenditures associated with the Community Oriented Policing Services funds received through the State of California.

Water P&FCC Charges

The Water P & FCC Charges fund accounts for the revenue and expenditures associated with plant and facility connections charges for capital replacement or improvements in the City's water utility.

State Trafficway

The State Trafficway fund is used to account for monies received through the Transportation Development Act (TDA) tax and Surface Transportation Program (STP) funding. The financing from State and Federal programs helps to build and maintain the City streets.

Electric P&FCC Charges

The Electric P & FCC Charges fund accounts for the revenue and expenditures associated with plant and facilities connections charges for capital replacement or improvements in the City's electric utility.

CDBG Project Fund

The CDBG Project fund accounts for the revenue and expenditures associated with the Community Development Block Grant program funded by the federal government and administered by the California Department of Housing and Community Development.

CDBG Housing Rehabilitation

The CDBG Housing Rehabilitation fund accounts for the revenue and expenditures associated with housing rehabilitation through the Community Development Block Grant program and Cal Home Program provided by the State and Federal government and administered by the California Department of Housing and Community Development.

Wastewater P&FCC Charges

The Wastewater P & FCC Charges fund accounts for the revenue and expenditures associated with plant and facility connections charges for capital replacement or improvements in the City's wastewater utility.

Parks P&FCC Charges

The Parks P & FCC Charges fund accounts for the revenue and expenditures associated with plant and facility connections charges for capital replacement or improvements in the City's parks system.

CITY OF SHASTA LAKE
Nonmajor Special Revenue Funds

Housing Authority

The Housing Authority accounts for the revenues and expenditures associated with administering housing programs.

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CITY OF SHASTA LAKE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	Law Enforcement Fund (COPS)	Water P&FCC Charges	State Trafficway	Electric P&FCC Charges
ASSETS				
Cash and investments	\$ 21	\$ 14,202	\$ 2,283,909	\$ 231,616
Receivables:				
Taxes	-	-	69,478	-
Intergovernmental	14,552	-	-	-
Land held for resale	-	-	-	-
Loans receivable	-	-	-	-
	Total Assets	\$ 14,202	\$ 2,353,387	\$ 231,616
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 1,632	\$ -
Due to other governments	8,333	-	-	-
Deposits payable	-	-	7,875	-
Unearned revenues	-	-	174,322	-
Due to other funds	2,500	-	-	-
	Total Liabilities	-	183,829	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
	Total Deferred Inflows of Resources	-	-	-
FUND BALANCES (DEFICIT)				
Restricted	3,740	14,202	2,169,558	231,616
Unassigned	-	-	-	-
	Total Fund Balances (Deficit)	14,202	2,169,558	231,616
	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,202	\$ 2,353,387	\$ 231,616

CDBG Project Fund	CDBG Housing Rehabilitation	Wastewater P&FCC Charges	Parks P&FCC Charges	Housing Authority	Totals
\$ 1,611	\$ 15,380	\$ 490,930	\$ 81,126	\$ 20,331	\$ 3,139,126
-	-	-	-	-	69,478
61,053	-	-	-	-	75,605
-	-	-	-	644,927	644,927
-	170,163	-	-	577,717	747,880
<u>\$ 62,664</u>	<u>\$ 185,543</u>	<u>\$ 490,930</u>	<u>\$ 81,126</u>	<u>\$ 1,242,975</u>	<u>\$ 4,677,016</u>
\$ 6,864	\$ -	\$ -	\$ -	\$ -	\$ 8,496
-	-	-	-	-	8,333
-	-	-	-	-	7,875
-	-	-	-	-	174,322
60,000	-	-	-	-	62,500
<u>66,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,526</u>
<u>46,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,101</u>
<u>46,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,101</u>
-	185,543	490,930	81,126	1,242,975	4,419,690
(50,301)	-	-	-	-	(50,301)
<u>(50,301)</u>	<u>185,543</u>	<u>490,930</u>	<u>81,126</u>	<u>1,242,975</u>	<u>4,369,389</u>
<u>\$ 62,664</u>	<u>\$ 185,543</u>	<u>\$ 490,930</u>	<u>\$ 81,126</u>	<u>\$ 1,242,975</u>	<u>\$ 4,677,016</u>

CITY OF SHASTA LAKE
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

	Law Enforcement Fund (COPS)	Water P&FCC Charges	State Trafficway	Electric P&FCC Charges
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ 470,755	\$ -
Use of money and property	-	204	4,547	502
Intergovernmental	100,001	-	919,845	-
Charges for services	-	49,369	4,355	6,351
Total Revenues	<u>100,001</u>	<u>49,573</u>	<u>1,399,502</u>	<u>6,853</u>
EXPENDITURES				
Current:				
General government	-	442	-	8,732
Public safety	100,000	-	-	-
Public ways and facilities	-	-	938,078	-
Community development	-	-	-	-
Capital outlay	-	-	107,144	-
Total Expenditures	<u>100,000</u>	<u>442</u>	<u>1,045,222</u>	<u>8,732</u>
Excess of Revenues Over (Under) Expenditures	<u>1</u>	<u>49,131</u>	<u>354,280</u>	<u>(1,879)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(95,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(95,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1	(45,869)	354,280	(1,879)
Fund Balances (Deficit) - Beginning	<u>3,739</u>	<u>60,071</u>	<u>1,815,278</u>	<u>233,495</u>
Fund Balances (Deficit) - Ending	<u>\$ 3,740</u>	<u>\$ 14,202</u>	<u>\$ 2,169,558</u>	<u>\$ 231,616</u>

CDBG Project Fund	CDBG Housing Rehabilitation	Wastewater P&FCC Charges	Parks P&FCC Charges	Housing Authority	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 470,755
-	3,003	1,005	167	43	9,471
332,519	-	-	-	-	1,352,365
-	-	52,413	11,084	-	123,572
<u>332,519</u>	<u>3,003</u>	<u>53,418</u>	<u>11,251</u>	<u>43</u>	<u>1,956,163</u>
-	-	14,763	728	-	24,665
-	-	-	-	-	100,000
-	-	-	-	-	938,078
207,916	-	-	-	28,500	236,416
167,430	-	-	-	-	274,574
<u>375,346</u>	<u>-</u>	<u>14,763</u>	<u>728</u>	<u>28,500</u>	<u>1,573,733</u>
<u>(42,827)</u>	<u>3,003</u>	<u>38,655</u>	<u>10,523</u>	<u>(28,457)</u>	<u>382,430</u>
-	11,633	-	-	-	11,633
-	(23,299)	-	-	-	(118,299)
-	(11,666)	-	-	-	(106,666)
(42,827)	(8,663)	38,655	10,523	(28,457)	275,764
(7,474)	194,206	452,275	70,603	1,271,432	4,093,625
<u>\$ (50,301)</u>	<u>\$ 185,543</u>	<u>\$ 490,930</u>	<u>\$ 81,126</u>	<u>\$ 1,242,975</u>	<u>\$ 4,369,389</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Law Enforcement Fund (COPS) - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,001	\$ 1
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>100,001</u>	<u>1</u>
EXPENDITURES				
Current:				
Public safety	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	1	1
Fund Balance - Beginning	<u>3,739</u>	<u>3,739</u>	<u>3,739</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 3,739</u></u>	<u><u>\$ 3,739</u></u>	<u><u>\$ 3,740</u></u>	<u><u>\$ 1</u></u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Water P&FCC Charges - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 200	\$ 200	\$ 204	\$ 4
Charges for services	5,000	40,000	49,369	9,369
Total Revenues	<u>5,200</u>	<u>40,200</u>	<u>49,573</u>	<u>9,373</u>
EXPENDITURES				
Current:				
General government	442	442	442	-
Total Expenditures	<u>442</u>	<u>442</u>	<u>442</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>4,758</u>	<u>39,758</u>	<u>49,131</u>	<u>9,373</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(95,000)	(95,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(95,000)</u>	<u>(95,000)</u>
Net Change in Fund Balance	4,758	39,758	(45,869)	(85,627)
Fund Balance - Beginning	<u>60,071</u>	<u>60,071</u>	<u>60,071</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 64,829</u>	<u>\$ 99,829</u>	<u>\$ 14,202</u>	<u>\$ (85,627)</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
State Trafficway - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 324,779	\$ 321,670	\$ 470,755	\$ 149,085
Use of money and property	12,000	12,000	4,547	(7,453)
Intergovernmental	442,000	816,147	919,845	103,698
Charges for services	12,000	7,500	4,355	(3,145)
Total Revenues	<u>790,779</u>	<u>1,157,317</u>	<u>1,399,502</u>	<u>242,185</u>
EXPENDITURES				
Current:				
Public ways and facilities	395,000	361,000	938,078	(577,078)
Capital outlay	503,840	780,121	107,144	672,977
Total Expenditures	<u>898,840</u>	<u>1,141,121</u>	<u>1,045,222</u>	<u>95,899</u>
Net Change in Fund Balance	(108,061)	16,196	354,280	338,084
Fund Balance - Beginning	<u>1,815,278</u>	<u>1,815,278</u>	<u>1,815,278</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,707,217</u>	<u>\$ 1,831,474</u>	<u>\$ 2,169,558</u>	<u>\$ 338,084</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Electric P&FCC Charges - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 2,000	\$ 2,000	\$ 502	\$ (1,498)
Charges for services	100,000	100,000	6,351	(93,649)
Total Revenues	<u>102,000</u>	<u>102,000</u>	<u>6,853</u>	<u>(95,147)</u>
EXPENDITURES				
Current:				
General government	8,732	8,732	8,732	-
Capital outlay	100,000	100,000	-	100,000
Total Expenditures	<u>108,732</u>	<u>108,732</u>	<u>8,732</u>	<u>100,000</u>
Net Change in Fund Balance	(6,732)	(6,732)	(1,879)	4,853
Fund Balance - Beginning	233,495	233,495	233,495	-
Fund Balance - Ending	<u>\$ 226,763</u>	<u>\$ 226,763</u>	<u>\$ 231,616</u>	<u>\$ 4,853</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
CDBG Project Fund - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 275,000	\$ 533,049	\$ 332,519	\$ (200,530)
Total Revenues	<u>275,000</u>	<u>533,049</u>	<u>332,519</u>	<u>(200,530)</u>
EXPENDITURES				
Community development	275,000	312,391	207,916	104,475
Capital outlay	<u>-</u>	<u>220,658</u>	<u>167,430</u>	<u>53,228</u>
Total Expenditures	<u>275,000</u>	<u>533,049</u>	<u>375,346</u>	<u>157,703</u>
Net Change in Fund Balance	-	-	(42,827)	(42,827)
Fund Balance (Deficit) - Beginning	<u>(7,474)</u>	<u>(7,474)</u>	<u>(7,474)</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ (7,474)</u>	<u>\$ (7,474)</u>	<u>\$ (50,301)</u>	<u>\$ (42,827)</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
CDBG Housing Rehabilitation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 2,700	\$ 2,700	\$ 3,003	\$ 303
Total Revenues	<u>2,700</u>	<u>2,700</u>	<u>3,003</u>	<u>303</u>
EXPENDITURES				
Current:				
Community development	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>2,700</u>	<u>2,700</u>	<u>3,003</u>	<u>303</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	11,633	11,633
Transfers out	-	-	(23,299)	(23,299)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(11,666)</u>	<u>(11,666)</u>
Net Change in Fund Balance	2,700	2,700	(8,663)	(11,363)
Fund Balance - Beginning	<u>194,206</u>	<u>194,206</u>	<u>194,206</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 196,906</u>	<u>\$ 196,906</u>	<u>\$ 185,543</u>	<u>\$ (11,363)</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Wastewater P&FCC Charges - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 2,500	\$ 2,500	\$ 1,005	\$ (1,495)
Charges for services	41,000	41,000	52,413	11,413
Total Revenues	<u>43,500</u>	<u>43,500</u>	<u>53,418</u>	<u>9,918</u>
EXPENDITURES				
Current:				
General government	14,763	14,763	14,763	-
Total Expenditures	<u>14,763</u>	<u>14,763</u>	<u>14,763</u>	<u>-</u>
Net Change in Fund Balance	28,737	28,737	38,655	9,918
Fund Balance - Beginning	<u>452,275</u>	<u>452,275</u>	<u>452,275</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 481,012</u>	<u>\$ 481,012</u>	<u>\$ 490,930</u>	<u>\$ 9,918</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Parks P&FCC Charges - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 1,250	\$ 1,250	\$ 167	\$ (1,083)
Charges for services	10,000	10,000	11,084	1,084
Total Revenues	<u>11,250</u>	<u>11,250</u>	<u>11,251</u>	<u>1</u>
EXPENDITURES				
Current:				
General government	728	728	728	-
Total Expenditures	<u>728</u>	<u>728</u>	<u>728</u>	<u>-</u>
Net Change in Fund Balance	10,522	10,522	10,523	1
Fund Balance - Beginning	<u>70,603</u>	<u>70,603</u>	<u>70,603</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 81,125</u>	<u>\$ 81,125</u>	<u>\$ 81,126</u>	<u>\$ 1</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Housing Authority - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 43	\$ 43
Total Revenues	<u>-</u>	<u>-</u>	<u>43</u>	<u>43</u>
EXPENDITURES				
Community development	-	16,500	28,500	(12,000)
Total Expenditures	<u>-</u>	<u>16,500</u>	<u>28,500</u>	<u>(12,000)</u>
Net Change in Fund Balance	-	(16,500)	(28,457)	(11,957)
Fund Balance - Beginning	<u>1,271,432</u>	<u>1,271,432</u>	<u>1,271,432</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 1,271,432</u></u>	<u><u>\$ 1,254,932</u></u>	<u><u>\$ 1,242,975</u></u>	<u><u>\$ (11,957)</u></u>

Nonmajor Governmental Funds

- **Debt Service Funds**

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CITY OF SHASTA LAKE
Nonmajor Debt Service Funds

Debt Service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. Nonmajor debt service funds used by the City are listed below:

Rosamond Debt Service

This fund accounts for the revenue and expenditures associated with the retirement of assessments for roadway improvements.

Riddle Road Water Bond

This fund accounts for the revenue and expenditures associated with the retirement of assessments for the construction of water system improvements.

Davis-Grunsky Act Loan

This fund accounts for the revenue and expenditures associated with the retirement voter approved tax override debt for the construction of water system improvements.

California Sewer Loan

This fund was used to account for the revenue and expenditures associated with the retired California sewer loan.

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CITY OF SHASTA LAKE
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2014

	Rosamond Debt Service	Riddle Road Water Bond	Davis Grunsky Loan Act	California Sewer Loan	Totals
ASSETS					
Cash and investments	\$ 22,648	\$ 7,230	\$ 77,558	\$ 8,411	\$ 115,847
Receivables:					
Taxes	847	341	80	-	1,268
Special assessments	35,000	40,000	-	-	75,000
Restricted cash and investments	3,500	-	-	-	3,500
Total Assets	\$ 61,995	\$ 47,571	\$ 77,638	\$ 8,411	\$ 195,615
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	35,000	40,000	-	-	75,000
Total Deferred Inflows of Resources	35,000	40,000	-	-	75,000
FUND BALANCES					
Restricted	26,995	7,571	77,638	8,411	120,615
Total Fund Balances	26,995	7,571	77,638	8,411	120,615
Total Deferred Inflows of Resources, and Fund Balances	\$ 61,995	\$ 47,571	\$ 77,638	\$ 8,411	\$ 195,615

CITY OF SHASTA LAKE
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2014

	Rosamond Debt Service	Riddle Road Water Bond	Davis Grunsky Loan Act	California Sewer Loan	Totals
REVENUES					
Taxes and assessments	\$ 18,136	\$ 3,978	\$ 16,773	\$ -	\$ 38,887
Use of money and property	28	11	164	18	221
Intergovernmental	-	-	272	-	272
Total Revenues	<u>18,164</u>	<u>3,989</u>	<u>17,209</u>	<u>18</u>	<u>39,380</u>
EXPENDITURES					
Current:					
General government	2,368	-	-	-	2,368
Debt service:					
Principal	15,000	1,000	8,243	-	24,243
Interest	3,188	2,025	3,945	-	9,158
Total Expenditures	<u>20,556</u>	<u>3,025</u>	<u>12,188</u>	<u>-</u>	<u>35,769</u>
Net Change in Fund Balances	(2,392)	964	5,021	18	3,611
Fund Balances - Beginning	<u>29,387</u>	<u>6,607</u>	<u>72,617</u>	<u>8,393</u>	<u>117,004</u>
Fund Balances - Ending	<u>\$ 26,995</u>	<u>\$ 7,571</u>	<u>\$ 77,638</u>	<u>\$ 8,411</u>	<u>\$ 120,615</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Rosamond Debt Service - Nonmajor Debt Service Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 21,000	\$ 21,000	\$ 18,136	\$ (2,864)
Use of money and property	195	195	28	(167)
Total Revenues	<u>21,195</u>	<u>21,195</u>	<u>18,164</u>	<u>(3,031)</u>
EXPENDITURES				
Current:				
General government	2,400	2,400	2,368	32
Debt service:				
Principal	15,000	15,000	15,000	-
Interest	3,188	3,188	3,188	-
Total Expenditures	<u>20,588</u>	<u>20,588</u>	<u>20,556</u>	<u>32</u>
Net Change in Fund Balance	607	607	(2,392)	(2,999)
Fund Balance - Beginning	<u>29,387</u>	<u>29,387</u>	<u>29,387</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 29,994</u></u>	<u><u>\$ 29,994</u></u>	<u><u>\$ 26,995</u></u>	<u><u>\$ (2,999)</u></u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Riddle Road Debt Service - Nonmajor Debt Service Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 3,125	\$ 3,125	\$ 3,978	\$ 853
Use of money and property	45	45	11	(34)
Total Revenues	<u>3,170</u>	<u>3,170</u>	<u>3,989</u>	<u>819</u>
EXPENDITURES				
Debt service:				
Principal	1,000	1,000	1,000	-
Interest	2,025	2,025	2,025	-
Total Expenditures	<u>3,025</u>	<u>3,025</u>	<u>3,025</u>	<u>-</u>
Net Change in Fund Balance	145	145	964	819
Fund Balance - Beginning	<u>6,607</u>	<u>6,607</u>	<u>6,607</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 6,752</u>	<u>\$ 6,752</u>	<u>\$ 7,571</u>	<u>\$ 819</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Davis Grunsky Loan Act - Nonmajor Debt Service Fund
For the Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 19,020	\$ 19,020	\$ 16,773	\$ (2,247)
Use of money and property	525	525	164	(361)
Intergovernmental	25	25	272	247
Total Revenues	<u>19,570</u>	<u>19,570</u>	<u>17,209</u>	<u>(2,361)</u>
EXPENDITURES				
Debt service:				
Principal	8,034	8,034	8,243	(209)
Interest	3,949	3,949	3,945	4
Total Expenditures	<u>11,983</u>	<u>11,983</u>	<u>12,188</u>	<u>(205)</u>
Net Change in Fund Balance	7,587	7,587	5,021	(2,566)
Fund Balance - Beginning	<u>72,617</u>	<u>72,617</u>	<u>72,617</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 80,204</u>	<u>\$ 80,204</u>	<u>\$ 77,638</u>	<u>\$ (2,566)</u>

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Nonmajor Proprietary Funds

- **Enterprise Funds**

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CITY OF SHASTA LAKE
Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the City 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. Nonmajor enterprise funds of the City are listed below:

Industrial Park

This fund accounts for general maintenance and operation of the Shasta Gateway Industrial Park.

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CITY OF SHASTA LAKE
Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2014

	Industrial Park	Totals
ASSETS		
Current Assets:		
Cash and investments	\$ 514	\$ 514
Receivables:		
Accounts, net	513	513
Taxes	6,516	6,516
Special assessments	664,634	664,634
Total Current Assets	672,177	672,177
Noncurrent Assets:		
Capital assets:		
Non-depreciable	1,677,716	1,677,716
Depreciable, net	471,419	471,419
Total Noncurrent Assets	2,149,135	2,149,135
Total Assets	2,821,312	2,821,312
LIABILITIES		
Current Liabilities:		
Accounts payable	4,914	4,914
Deposits payable	1,199	1,199
Interest payable	15,138	15,138
Bonds payable	25,000	25,000
Total Current Liabilities	46,251	46,251
Noncurrent Liabilities:		
Bonds payable	840,000	840,000
Total Noncurrent Liabilities	840,000	840,000
Total Liabilities	886,251	886,251
NET POSITION		
Net investment in capital assets	1,284,135	1,284,135
Unrestricted	650,926	650,926
Total Net Position	\$ 1,935,061	\$ 1,935,061

CITY OF SHASTA LAKE
Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	Industrial Park	Totals
OPERATING REVENUES		
Other revenue	\$ 47,344	\$ 47,344
Total Operating Revenues	47,344	47,344
OPERATING EXPENSES		
Administration	10,088	10,088
Power	33,390	33,390
Insurance	631	631
Supplies	52	52
Repair and maintenance	5,004	5,004
Professional services	9,244	9,244
Depreciation	23,464	23,464
Other expense	4,796	4,796
Total Operating Expenses	86,669	86,669
Operating Income (Loss)	(39,325)	(39,325)
NON-OPERATING REVENUES (EXPENSES)		
Assessment revenue	51,087	51,087
Interest expense	(45,631)	(45,631)
Total Non-Operating Revenues (Expenses)	5,456	5,456
Income (Loss) Before Transfers	(33,869)	(33,869)
Transfers in	15,000	15,000
Change in Net Position	(18,869)	(18,869)
Total Net Position - Beginning	1,953,930	1,953,930
Total Net Position - Ending	\$ 1,935,061	\$ 1,935,061

CITY OF SHASTA LAKE
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	Industrial Park	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 53,482	\$ 53,482
Payments to suppliers	(54,239)	(54,239)
Payments to interfund services	(10,088)	(10,088)
	(10,845)	(10,845)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Assessments and other receipts	64,351	64,351
Transfers from other funds	15,000	15,000
	79,351	79,351
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on debt	(25,000)	(25,000)
Interest paid on debt	(46,069)	(46,069)
	(71,069)	(71,069)
Net Cash Provided (Used) by Operating Activities	(10,845)	(10,845)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,563)	(2,563)
Balances - Beginning	3,077	3,077
Balances - Ending	\$ 514	\$ 514
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (39,325)	\$ (39,325)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	23,464	23,464
Decrease (increase) in:		
Accounts receivable	6,139	6,139
Increase (decrease) in:		
Accounts payable	(1,123)	(1,123)
	(10,845)	(10,845)
Net Cash Provided (Used) by Operating Activities	\$ (10,845)	\$ (10,845)

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Internal Service Funds

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CITY OF SHASTA LAKE
Internal Service Funds

Internal Service funds are used to account for the financing of good or services provided by one department or agency to other departments on a cost-reimbursement basis. Internal Service funds used at the City are listed below:

Motor Pool

The fund accounts for the management of a program to ensure that both current and future vehicle needs are met for all City departments.

Public Works

The fund accounts for the services related to providing City departments with service and support for water distribution, wastewater collection, and streets and drainage maintenance.

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CITY OF SHASTA LAKE
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Motor Pool	Public Works	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ 318,487	\$ 438,868	\$ 757,355
Total Current Assets	318,487	438,868	757,355
Noncurrent Assets:			
Other postemployment benefits asset	197,974	502,527	700,501
Capital assets:			
Non-depreciable	44,217	-	44,217
Depreciable, net	1,095,520	228,998	1,324,518
Total Noncurrent Assets	1,337,711	731,525	2,069,236
Total Assets	1,656,198	1,170,393	2,826,591
LIABILITIES			
Current Liabilities:			
Accounts payable	28,992	11,298	40,290
Salaries and benefits payable	1,537	17,798	19,335
Compensated absences payable	3,937	35,179	39,116
Capital lease payable	53,353	-	53,353
Total Current Liabilities	87,819	64,275	152,094
Noncurrent Liabilities:			
Advances from other funds	32,160	377,593	409,753
Compensated absences payable	4,392	16,811	21,203
Capital lease payable	83,879	-	83,879
Total Noncurrent Liabilities	120,431	394,404	514,835
Total Liabilities	208,250	458,679	666,929
NET POSITION			
Net investment in capital assets	1,002,505	228,998	1,231,503
Unrestricted	445,443	482,716	928,159
Total Net Position	\$ 1,447,948	\$ 711,714	\$ 2,159,662

CITY OF SHASTA LAKE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2014

	Motor Pool	Public Works	Totals
OPERATING REVENUES			
Charges for services	\$ 640,522	\$ 2,031,556	\$ 2,672,078
Other revenue	-	1,680	1,680
Total Operating Revenues	<u>640,522</u>	<u>2,033,236</u>	<u>2,673,758</u>
OPERATING EXPENSES			
Salaries and benefits	134,116	1,406,095	1,540,211
Administration	228,872	368,552	597,424
Insurance	1,761	-	1,761
Supplies	1,688	19,902	21,590
Repair and maintenance	119,978	5,933	125,911
Professional services	57	32,753	32,810
Depreciation	205,502	-	205,502
Total Operating Expenses	<u>691,974</u>	<u>1,833,235</u>	<u>2,525,209</u>
Operating Income (Loss)	<u>(51,452)</u>	<u>200,001</u>	<u>148,549</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest expense	(6,692)	(5,663)	(12,355)
Total Non-Operating Revenues (Expenses)	<u>(6,692)</u>	<u>(5,663)</u>	<u>(12,355)</u>
Change in Net Position	(58,144)	194,338	136,194
Total Net Position - Beginning	<u>1,506,092</u>	<u>517,376</u>	<u>2,023,468</u>
Total Net Position - Ending	<u>\$ 1,447,948</u>	<u>\$ 711,714</u>	<u>\$ 2,159,662</u>

CITY OF SHASTA LAKE
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Motor Pool	Public Works	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 3,480	\$ 21,640	\$ 25,120
Receipts from interfund services	640,522	2,031,556	2,672,078
Payments to suppliers	(296,872)	(96,651)	(393,523)
Payments for interfund services	(44,896)	(334,657)	(379,553)
Payments to employees	(139,583)	(1,432,019)	(1,571,602)
Net Cash Provided (Used) by Operating Activities	<u>162,651</u>	<u>189,869</u>	<u>352,520</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Interfund loan payments received	32,160	377,593	409,753
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>32,160</u>	<u>377,593</u>	<u>409,753</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(196,570)	(212,218)	(408,788)
Principal paid on debt	(51,387)	-	(51,387)
Interest paid on debt	(6,692)	(5,662)	(12,354)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(254,649)</u>	<u>(217,880)</u>	<u>(472,529)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(59,838)	349,582	289,744
Balances - Beginning	<u>378,325</u>	<u>89,286</u>	<u>467,611</u>
Balances - Ending	<u>\$ 318,487</u>	<u>\$ 438,868</u>	<u>\$ 757,355</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (51,452)	\$ 200,001	\$ 148,549
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	205,502	-	205,502
Decrease (increase) in:			
Accounts receivable	3,480	19,959	23,439
Net OPEB asset	(9,655)	(19,572)	(29,227)
Increase (decrease) in:			
Accounts payable	10,590	(4,167)	6,423
Salaries and benefits payable	187	1,895	2,082
Compensated absences	3,999	(8,247)	(4,248)
Net Cash Provided (Used) by Operating Activities	<u>\$ 162,651</u>	<u>\$ 189,869</u>	<u>\$ 352,520</u>

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Fiduciary Funds

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CITY OF SHASTA LAKE
Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

Agency Fund

This fund is used to report resources held by the City in a purely custodial capacity. The agency fund maintained by the City is listed below:

- **Community Facility Districts** - The Community Facilities District was formed in 2000 to maintain designated open space and water retention facilities in the Windsor Estates and Hazelwood/Oakridge Estates subdivisions. It is used to account for revenue and expenses related to maintaining weed and sediment control, tree care, and storm water retention.

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CITY OF SHASTA LAKE
Statement of Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2014

	Community Facility Districts	Totals
ASSETS		
Cash and investments	\$ 227,412	\$ 227,412
Receivables:		
Taxes	502	502
Total Assets	227,914	227,914
LIABILITIES		
Accounts payable	250	250
Agency obligations	227,664	227,664
Total Liabilities	\$ 227,914	\$ 227,914

CITY OF SHASTA LAKE
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
COMMUNITY FACILITY DISTRICTS				
ASSETS				
Cash and investments	\$ 201,371	\$ 38,413	\$ 12,372	\$ 227,412
Receivables:				
Taxes	183	502	183	502
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 201,554</u>	<u>\$ 38,915</u>	<u>\$ 12,555</u>	<u>\$ 227,914</u>
LIABILITIES				
Accounts payable	\$ 249	\$ 250	\$ 249	\$ 250
Agency obligations	201,305	38,665	12,306	227,664
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 201,554</u>	<u>\$ 38,915</u>	<u>\$ 12,555</u>	<u>\$ 227,914</u>

STATISTICAL SECTION

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CITY OF SHASTA LAKE

Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise stated, the information in this section is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF SHASTA LAKE
Net Position by Component
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
Governmental Activities				
Net investment in capital assets	\$ 11,800,821	\$ 14,035,177	\$ 42,276,380	\$ 42,518,150
Restricted	7,683,196	8,573,928	11,416,796	12,781,389
Unrestricted	2,065,793	2,819,195	3,523,764	3,955,119
Total governmental activities net position	<u>\$ 21,549,810</u>	<u>\$ 25,428,300</u>	<u>\$ 57,216,940</u>	<u>\$ 59,254,658</u>
Business-type Activities				
Net investment in capital assets	\$ 31,072,814	\$ 31,072,814	\$ 31,072,814	\$ 35,334,222
Restricted	2,896,084	6,111,623	6,111,623	2,830,859
Unrestricted	3,074,235	6,150,418	11,906,131	14,290,305
Total business-type activities net position	<u>\$ 37,043,133</u>	<u>\$ 43,334,855</u>	<u>\$ 49,090,568</u>	<u>\$ 52,455,386</u>
Primary Government				
Net investment in capital assets	\$ 42,873,635	\$ 45,107,991	\$ 73,349,194	\$ 77,852,372
Restricted	10,579,280	14,685,551	17,528,419	15,612,248
Unrestricted	5,140,028	8,969,613	15,429,895	18,245,424
Total primary government net position	<u>\$ 58,592,943</u>	<u>\$ 68,763,155</u>	<u>\$106,307,508</u>	<u>\$111,710,044</u>

<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
\$ 44,251,610	\$ 45,358,187	\$ 49,643,294	\$ 52,274,952	\$ 52,295,145	\$ 48,273,741
13,620,477	14,159,185	14,803,221	8,110,724	8,633,920	9,833,597
3,503,525	1,785,070	(1,103,484)	2,313,537	2,789,860	4,716,258
<u>\$ 61,375,612</u>	<u>\$ 61,302,442</u>	<u>\$ 63,343,031</u>	<u>\$ 62,699,213</u>	<u>\$ 63,718,925</u>	<u>\$ 62,823,596</u>
\$ 35,670,069	\$ 34,118,950	\$ 32,604,718	\$ 31,579,360	\$ 37,184,118	\$ 23,037,784
1,006,091	992,149	998,403	998,185	997,747	977,967
16,070,235	16,414,994	17,001,652	18,096,357	12,587,267	25,934,191
<u>\$ 52,746,395</u>	<u>\$ 51,526,093</u>	<u>\$ 50,604,773</u>	<u>\$ 50,673,902</u>	<u>\$ 50,769,132</u>	<u>\$ 49,949,942</u>
\$ 79,921,679	\$ 79,477,137	\$ 82,248,012	\$ 83,854,312	\$ 89,479,263	\$ 71,311,525
14,626,568	15,151,334	15,801,624	9,108,909	9,631,667	10,811,564
19,573,760	18,200,064	15,898,168	20,409,894	15,377,127	30,650,449
<u>\$114,122,007</u>	<u>\$112,828,535</u>	<u>\$113,947,804</u>	<u>\$113,373,115</u>	<u>\$114,488,057</u>	<u>\$112,773,538</u>

CITY OF SHASTA LAKE
Changes in Net Position
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
Expenses				
Governmental Activities:				
General government	\$ 2,250,052	\$ 2,267,341	\$ 2,865,683	\$ 2,884,859
Public safety	2,340,895	2,520,506	2,446,781	2,830,146
Public ways and facilities	497,244	597,240	1,242,080	1,242,598
Planning	260,031	314,774	381,661	482,136
Culture and recreation	211,888	233,442	301,235	357,993
Community development	2,059,288	2,322,845	1,206,696	1,723,742
Interest on long-term debt	-	-	-	-
Total Governmental Activities Expenses	<u>7,619,398</u>	<u>8,256,148</u>	<u>8,444,136</u>	<u>9,521,474</u>
Business-Type Activities:				
Water	1,603,164	1,667,080	1,789,359	1,796,805
Electric	17,369,689	12,797,024	15,001,329	19,046,728
Wastewater	1,973,423	2,029,975	2,125,633	2,193,838
Industrial park	195,368	171,942	165,284	165,061
Total Business-Type Activities Expenses	<u>21,141,644</u>	<u>16,666,021</u>	<u>19,081,605</u>	<u>23,202,432</u>
Total Primary Government Expenses	<u>\$ 28,761,042</u>	<u>\$ 24,922,169</u>	<u>\$ 27,525,741</u>	<u>\$ 32,723,906</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 2,123,978	\$ 2,236,908	\$ 2,609,730	\$ 2,784,349
Public safety	158,868	238,303	130,705	181,727
Public ways and facilities	50,486	26,560	10,545	-
Planning	22,292	19,646	106,329	51,305
Culture and recreation	2,326	345	1,325	9,036
Community development	66,703	76,192	54,132	48,345
Operating grants and contributions	1,578,570	3,128,170	2,508,386	2,413,959
Capital grants and contributions	727,781	1,854,937	1,348,571	1,090,107
Total Governmental Activities Program Revenues	<u>4,731,004</u>	<u>7,581,061</u>	<u>6,769,723</u>	<u>6,578,828</u>
Business-Type Activities:				
Charges for services:				
Water	1,559,557	1,733,091	1,918,290	1,880,046
Electric	15,924,103	15,794,157	17,173,529	20,041,141
Wastewater	1,346,107	1,380,979	1,548,979	1,622,343
Industrial park	4,392	3,827	4,913	6,470
Operating grants and contributions	-	-	2,100,113	388,318
Capital grants and contributions	106,273	2,596,518	96,543	104,067
Total Business-Type Activities Program Revenues	<u>18,940,432</u>	<u>21,508,572</u>	<u>22,842,367</u>	<u>24,042,385</u>
Total Primary Government Program Revenues	<u>\$ 23,671,436</u>	<u>\$ 29,089,633</u>	<u>\$ 29,612,090</u>	<u>\$ 30,621,213</u>

2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
\$ 3,067,756	\$ 2,886,441	\$ 2,902,975	\$ 2,796,741	\$ 2,492,722	\$ 2,636,610
2,874,156	2,966,827	2,751,631	2,747,717	2,848,143	2,761,952
50,259	1,953,478	1,947,459	1,589,908	1,883,790	2,041,296
407,431	356,499	348,835	334,373	371,593	514,828
386,623	311,831	282,910	274,282	254,399	298,171
2,935,471	2,485,092	2,436,714	506,149	117,714	389,440
-	-	-	-	-	169,850
9,721,696	10,960,168	10,670,524	8,249,170	7,968,361	8,812,147
2,651,243	2,391,584	2,056,226	1,930,159	2,255,672	2,748,608
18,422,891	18,224,258	15,456,282	15,603,541	17,526,105	20,114,409
2,331,054	2,367,035	2,437,577	2,152,763	2,524,844	2,735,434
147,544	140,737	130,142	119,011	147,052	132,300
23,552,732	23,123,614	20,080,227	19,805,474	22,453,673	25,730,751
\$ 33,274,428	\$ 34,083,782	\$ 30,750,751	\$ 28,054,644	\$ 30,422,034	\$ 34,542,898
\$ 2,864,793	\$ 3,011,768	\$ 2,743,366	\$ 2,889,853	\$ 2,998,406	\$ 2,944,400
106,344	100,917	73,335	69,222	71,291	98,883
11,895	70,186	1,766	6,068	72,064	274,347
22,095	34,113	30,328	37,272	15,661	-
16,172	8,030	3,461	3,263	3,966	5,432
15,270	21,695	22,083	41,205	11,678	-
4,213,084	1,819,835	2,542,442	1,424,029	2,459,906	1,847,156
594,325	535,921	1,200,951	618,903	217,806	333,623
7,843,978	5,602,465	6,617,732	5,089,815	5,850,778	5,503,841
1,843,969	1,901,864	1,965,585	2,143,515	2,447,152	2,518,565
17,830,444	17,303,120	14,469,256	14,921,718	17,038,476	19,271,837
1,710,520	2,080,443	2,226,744	2,178,308	2,368,044	2,584,526
6,152	44,948	45,732	49,451	51,300	-
-	-	-	-	-	-
101,290	56,634	61,943	53,730	417,370	51,087
21,492,375	21,387,009	18,769,260	19,346,722	22,322,342	24,426,015
\$ 29,336,353	\$ 26,989,474	\$ 25,386,992	\$ 24,436,537	\$ 28,173,120	\$ 29,929,856

CITY OF SHASTA LAKE
Changes in Net Position
Last Ten Fiscal Years
(full accrual basis of accounting)

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
Net (Expense)/Revenue¹				
Governmental Activities	\$ (2,888,394)	\$ (675,087)	\$ (1,674,413)	\$ (2,942,646)
Business-Type Activities	(2,201,212)	4,842,551	3,760,762	839,953
 Total Primary Government Net Expense	<u>\$ (5,089,606)</u>	<u>\$ 4,167,464</u>	<u>\$ 2,086,349</u>	<u>\$ (2,102,693)</u>
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 3,222,124	\$ 3,597,426	\$ 3,954,335	\$ 4,094,899
Sales and use taxes	583,343	612,471	600,145	628,969
Transient occupancy taxes	9,423	8,796	16,290	13,285
Other taxes	186,174	198,601	185,959	184,756
Motor vehicle in-lieu	702,425	661,718	768,887	823,530
Interest and investment earnings	86,776	(38,438)	566,345	528,054
Miscellaneous	73,075	49,364	41,679	37,133
Transfers	(796,423)	(536,361)	(509,854)	(1,330,262)
Gain/loss on sale of asset	-	-	-	-
Extraordinary gain	-	-	-	-
 Total Governmental Activities	<u>4,066,917</u>	<u>4,553,577</u>	<u>5,623,786</u>	<u>4,980,364</u>
Business-Type Activities:				
Interest and investment earnings	1,738,159	701,261	1,373,799	1,071,344
Miscellaneous	175,264	211,549	111,298	123,259
Transfers	796,423	536,361	509,854	1,330,262
 Total Business-Type Activities	<u>2,709,846</u>	<u>1,449,171</u>	<u>1,994,951</u>	<u>2,524,865</u>
 Total Primary Government	<u>\$ 6,776,763</u>	<u>\$ 6,002,748</u>	<u>\$ 7,618,737</u>	<u>\$ 7,505,229</u>
 Change in Net Position				
Governmental Activities	\$ 1,178,523	\$ 3,878,490	\$ 3,949,373	\$ 2,037,718
Business-Type Activities	508,634	6,291,722	5,755,713	3,364,818
 Total Primary Government	<u>\$ 1,687,157</u>	<u>\$ 10,170,212</u>	<u>\$ 9,705,086</u>	<u>\$ 5,402,536</u>

¹ Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
\$ (1,877,718)	\$ (5,357,703)	\$ (4,052,792)	\$ (3,159,355)	\$ (2,117,583)	\$ (3,308,306)
(2,060,357)	(1,736,605)	(1,310,967)	(458,752)	(131,331)	(1,304,736)
<u>\$ (3,938,075)</u>	<u>\$ (7,094,308)</u>	<u>\$ (5,363,759)</u>	<u>\$ (3,618,107)</u>	<u>\$ (2,248,914)</u>	<u>\$ (4,613,042)</u>
\$ 4,121,837	\$ 3,850,713	\$ 4,535,646	\$ 2,472,818	\$ 1,543,442	\$ 911,458
446,298	455,952	510,472	414,712	390,461	480,926
9,136	7,750	8,300	5,280	4,900	7,215
184,597	153,181	153,855	153,522	152,940	189,712
844,126	814,202	839,556	757,878	732,158	733,665
203,269	80,752	85,919	62,835	24,682	35,232
28,917	32,590	23,855	85,742	329,902	164,769
(1,839,508)	(110,607)	(86,000)	(196,739)	(41,186)	(110,000)
-	-	21,778	-	-	-
-	-	-	(705,676)	-	-
<u>3,998,672</u>	<u>5,284,533</u>	<u>6,093,381</u>	<u>3,050,372</u>	<u>3,137,299</u>	<u>2,412,977</u>
475,770	304,857	212,123	215,606	150,238	157,207
36,088	100,839	91,524	115,536	35,132	408,876
1,839,508	110,607	86,000	196,739	41,187	110,000
<u>2,351,366</u>	<u>516,303</u>	<u>389,647</u>	<u>527,881</u>	<u>226,557</u>	<u>676,083</u>
<u>\$ 6,350,038</u>	<u>\$ 5,800,836</u>	<u>\$ 6,483,028</u>	<u>\$ 3,578,253</u>	<u>\$ 3,363,856</u>	<u>\$ 3,089,060</u>
\$ 2,120,954	\$ (73,170)	\$ 2,040,589	\$ (108,983)	\$ 1,019,716	\$ (895,329)
291,009	(1,220,302)	(921,320)	69,129	95,226	(628,653)
<u>\$ 2,411,963</u>	<u>\$ (1,293,472)</u>	<u>\$ 1,119,269</u>	<u>\$ (39,854)</u>	<u>\$ 1,114,942</u>	<u>\$ (1,523,982)</u>

CITY OF SHASTA LAKE
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
General Fund				
Reserved	\$ 156,993	\$ 156,993	\$ 156,993	\$ 156,994
Unreserved	2,389,285	2,622,583	3,286,498	3,660,648
Total General Fund	<u>\$ 2,546,278</u>	<u>\$ 2,779,576</u>	<u>\$ 3,443,491</u>	<u>\$ 3,817,642</u>
All Other Governmental Funds				
Reserved	\$ 5,162,272	\$ 11,387,433	\$ 13,103,041	\$ 14,253,582
Unreserved, reported in: Special revenue funds	3,302,175	3,596,748	4,460,178	4,392,777
Total All Other Governmental Funds	<u>\$ 8,464,447</u>	<u>\$ 14,984,181</u>	<u>\$ 17,563,219</u>	<u>\$ 18,646,359</u>

	Fiscal Year			
	2010/2011	2011/2012	2012/2013	2013/2014
General Fund				
Restricted	\$ 4,481,416	\$ 3,677,876	\$ 3,322,038	\$ 641,692
Assigned	-	-	-	1,046,606
Unassigned	(1,413,127)	(1,309,733)	(488,173)	719,127
Total General Fund	<u>\$ 3,068,289</u>	<u>\$ 2,368,143</u>	<u>\$ 2,833,865</u>	<u>\$ 2,407,425</u>
All Other Governmental Funds				
Restricted	\$ 15,851,076	\$ 8,206,752	\$ 8,727,876	\$ 9,061,761
Unassigned	-	-	-	(50,301)
Total All Other Governmental Funds	<u>\$ 15,851,076</u>	<u>\$ 8,206,752</u>	<u>\$ 8,727,876</u>	<u>\$ 9,011,460</u>

Notes:

(1) The City implemented GASB 54 for fiscal year June 30, 2011 under which fund balances are reported as nonspendable, restricted, committed, assigned and unassigned as compared to reserved and unreserved.

<u>2008/2009</u>	<u>2009/2010</u>
\$ 156,993	\$ 72,503
<u>3,222,503</u>	<u>3,564,483</u>
<u>\$ 3,379,496</u>	<u>\$ 3,636,986</u>
\$ 14,653,474	\$ 12,745,664
<u>4,523,970</u>	<u>5,037,755</u>
<u>\$ 19,177,444</u>	<u>\$ 17,783,419</u>

CITY OF SHASTA LAKE
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004/2005	2005/2006	2006/2007	2007/2008
Revenues				
Taxes and assessments	\$ 4,589,748	\$ 5,090,273	\$ 5,291,715	\$ 5,870,194
Licenses and permits	125,335	146,431	206,670	168,359
Fines and forfeitures	35,873	113,500	19,264	24,090
Use of money	187,551	337,210	726,318	678,082
Intergovernmental	2,002,256	4,223,947	3,474,403	2,944,031
Charges for services	2,544,188	3,016,182	3,235,628	3,235,596
Other revenues	183,390	56,661	48,366	52,102
Total Revenues	9,668,341	12,984,204	13,002,364	12,972,454
Expenditures				
Current:				
General government	1,939,048	2,060,656	2,152,231	2,364,435
Public safety	2,326,519	2,480,395	2,411,849	2,821,343
Public ways and facilities	284,438	529,270	481,744	510,061
Planning	257,615	312,358	377,544	478,194
Culture and recreation	185,591	215,030	258,093	283,951
Community development	2,058,953	2,263,764	1,462,576	1,949,983
Debt service				
Principal	286,553	902,355	377,364	379,487
Interest	284,289	607,591	521,015	496,854
Capital outlay	1,411,655	2,548,758	1,570,696	2,055,855
Total Expenditures	9,034,661	11,920,177	9,613,112	11,340,163
Excess of Revenues Over (Under) Expenditures	633,680	1,064,027	3,389,252	1,632,291
Other Financing Sources (Uses)				
Debt proceeds	-	6,225,000	-	-
Transfers in	628,777	598,678	1,005,766	1,151,547
Transfers out	(1,369,022)	(1,134,673)	(1,152,066)	(1,326,547)
Total Other Financing Sources (Uses)	(740,245)	5,689,005	(146,300)	(175,000)
Extraordinary loss	-	-	-	-
Net Change in Fund Balances (Deficits)	\$ (106,565)	\$ 6,753,032	\$ 3,242,952	\$ 1,457,291
 Debt Service as a Percentage of Noncapital Expenditures	 7.49%	 16.11%	 11.17%	 9.44%

<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
\$ 5,362,411	\$ 5,069,637	\$ 5,808,266	\$ 3,672,060	\$ 2,749,373	\$ 2,321,000
103,845	115,615	87,440	100,801	68,367	98,638
26,761	14,361	11,710	8,959	21,722	18,107
274,034	105,227	114,036	85,263	46,091	35,232
4,898,038	2,655,155	3,452,138	1,959,472	2,733,862	2,242,654
3,069,691	3,286,705	2,775,660	3,008,184	3,169,464	3,206,317
34,376	41,905	333,872	94,841	340,384	164,769
<u>13,769,156</u>	<u>11,288,605</u>	<u>12,583,122</u>	<u>8,929,580</u>	<u>9,129,263</u>	<u>8,086,717</u>
2,554,374	2,289,272	2,469,149	2,399,456	2,312,602	2,672,669
2,863,740	2,760,245	2,716,676	2,740,964	2,841,390	2,730,507
523,949	661,154	558,748	262,238	850,563	981,087
403,488	352,557	344,893	330,431	367,652	510,886
337,806	309,232	615,465	291,405	199,546	246,507
4,441,991	3,532,795	2,376,820	353,125	116,467	388,106
333,904	543,082	308,461	103,647	107,829	113,243
479,645	458,786	437,365	423,254	156,510	162,044
1,705,920	1,427,517	5,200,585	4,109,715	1,165,359	439,949
<u>13,644,817</u>	<u>12,334,640</u>	<u>15,028,162</u>	<u>11,014,235</u>	<u>8,117,918</u>	<u>8,244,998</u>
124,339	(1,046,035)	(2,445,040)	(2,084,655)	1,011,345	(158,281)
-	-	-	-	-	-
920,265	789,509	791,811	686,192	10,856	23,299
(951,665)	(880,009)	(847,811)	(686,192)	(35,356)	(133,299)
<u>(31,400)</u>	<u>(90,500)</u>	<u>(56,000)</u>	<u>-</u>	<u>(24,500)</u>	<u>(110,000)</u>
-	-	-	(5,724,980)	-	-
<u>\$ 92,939</u>	<u>\$ (1,136,535)</u>	<u>\$ (2,501,040)</u>	<u>\$ (7,809,635)</u>	<u>\$ 986,845</u>	<u>\$ (268,281)</u>

6.81%

9.19%

7.59%

7.63%

3.80%

3.53%

CITY OF SHASTA LAKE
General Fund Balance Compared to Annual Appropriations
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Undesignated Fund Balance (1)</u>	<u>Annual Appropriations</u>	<u>Balance as % of Appropriations</u>
2004/2005	\$ 2,389,285	\$ 4,421,865	54.0%
2005/2006	2,622,583	4,808,962	54.5%
2006/2007	3,286,498	5,483,073	59.9%
2007/2008	3,660,648	5,737,640	63.8%
2008/2009	3,222,503	5,761,220	55.9%
2009/2010	3,564,483	5,653,836	63.0%
2010/2011	3,068,289	5,318,718	57.7%
2011/2012	2,368,143	5,338,139	44.4%
2012/2013	2,833,865	6,325,471	44.8%
2013/2014	2,407,425	6,604,576	36.5%

(1) Due to Governmental Accounting Standards Board Statement 54 reporting requirements, Undesignated Fund Balance for 2011-2014 is Total Fund Balance

Source: City of Shasta Lake Financial Records

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CITY OF SHASTA LAKE
General Fund Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeitures	Intergovern- mental	Charges for Services	Use of Money	Miscellaneous
2004/2005	\$ 1,680,652	\$ 125,335	\$ 35,873	\$ 714,652	\$ 2,254,560	\$ 49,141	\$ 169,519
2005/2006	1,780,991	146,431	20,400	673,713	2,330,851	95,165	54,373
2006/2007	1,745,347	206,670	19,264	781,071	2,680,220	127,869	48,282
2007/2008	1,790,270	168,359	24,090	835,103	2,877,479	170,862	29,454
2008/2009	1,549,247	103,845	26,761	857,071	2,900,501	74,157	34,322
2009/2010	1,416,233	115,615	14,361	848,170	3,107,426	30,301	30,992
2010/2011	1,507,924	87,440	11,710	851,116	2,762,945	31,516	26,554
2011/2012	1,508,997	100,801	8,959	769,547	2,899,163	23,477	27,195
2012/2013	2,071,651	68,367	21,722	740,194	3,072,595	21,731	329,211
2013/2014	1,564,553	98,638	18,107	748,837	3,082,745	16,702	164,769

Note: The schedule above includes only those revenues recorded in the General Fund.

Source: City of Shasta Lake Financial Records

Total

\$ 5,029,732

5,101,924

5,608,723

5,895,617

5,545,904

5,563,098

5,279,205

5,338,139

6,325,471

5,694,351

CITY OF SHASTA LAKE
General Fund Tax Revenues by Source
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Property Tax*</u>	<u>Sales and Use Tax</u>	<u>Transient Occupancy Tax</u>	<u>Property Transfer Tax</u>	<u>Franchise Tax</u>
2004/2005	\$ 860,758	\$ 583,343	\$ 9,423	\$ 40,953	\$ 186,174
2005/2006	911,228	612,471	8,796	49,894	198,601
2006/2007	915,139	600,144	16,290	27,815	185,959
2007/2008	940,398	628,968	13,285	22,864	184,756
2008/2009	895,744	446,298	9,135	13,472	184,597
2009/2010	785,607	455,952	7,750	13,743	153,181
2010/2011	824,729	510,472	8,300	10,557	153,865
2011/2012	921,790	414,713	5,280	13,693	153,522
2012/2013	1,507,137	390,462	4,900	16,212	152,940
2013/2014	891,906	475,720	7,215	19,317	170,395

Note: The schedule above includes only those revenues recorded in the General fund.

* Includes tax revenue from the Educational Revenue Augmentation Fund (ERAF).

Source: City of Shasta Lake Financial Records

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CITY OF SHASTA LAKE
Governmental Funds Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Ways and Facilities	Planning	Culture and Recreation	Community Development	Debt Service
2004/2005	\$ 1,939,048	\$ 2,326,519	\$ 284,438	\$ 257,615	\$ 185,591	\$ 2,058,953	\$ 570,842
2005/2006	2,060,656	2,480,395	529,270	312,358	215,030	2,263,764	1,509,946
2006/2007	2,152,231	2,411,849	481,744	377,544	258,093	1,462,576	898,379
2007/2008	2,364,435	2,821,343	510,061	478,194	283,951	1,949,983	876,341
2008/2009	2,554,374	2,863,740	523,949	403,488	337,806	4,441,991	813,549
2009/2010	2,289,272	2,760,245	661,154	352,557	309,232	3,532,795	1,001,868
2010/2011	2,469,149	2,716,676	558,748	344,893	615,465	2,376,820	745,826
2011/2012	2,399,456	2,740,964	262,238	330,431	291,405	353,125	526,901
2012/2013	2,312,602	2,841,390	850,563	367,652	199,546	116,467	264,338
2013/2014	2,672,669	2,730,507	981,087	510,886	246,507	388,106	275,287

Note: The schedule above includes only those expenditures recorded in the General Fund, Special Revenue, Debt Service, and Capital Projects funds.

Source: City of Shasta Lake Financial Records

Capital Outlay	Total
\$ 1,411,655	\$ 9,034,661
2,548,758	11,920,177
1,570,696	9,613,112
2,055,855	11,340,163
1,705,920	13,644,817
1,427,517	12,334,640
5,200,585	15,028,162
4,109,715	11,014,235
1,165,359	8,117,917
439,949	8,244,998

CITY OF SHASTA LAKE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured Roll Assessed Value	Unsecured Roll Assessed Value	Less Exemptions	Net Assessed Value	% Change	Direct Rate
2004/2005	\$ 510,958,170	\$ 9,824,457	\$ (24,858,853)	\$ 495,923,774	Unavailable	1.000%
2005/2006	559,822,537	11,222,381	(25,523,730)	545,521,188	10.001%	1.000%
2006/2007	628,924,328	12,946,017	(27,548,279)	614,322,066	12.612%	1.000%
2007/2008	693,883,501	12,611,910	(29,871,825)	676,623,586	10.142%	1.000%
2008/2009	720,044,156	14,260,646	(29,893,902)	704,410,900	4.107%	1.000%
2009/2010	698,338,056	13,673,159	(29,830,360)	682,180,855	-3.156%	1.000%
2010/2011	667,495,725	12,058,431	(30,486,666)	649,067,490	-4.854%	1.000%
2011/2012	617,728,356	12,007,690	(30,102,800)	599,633,246	-7.616%	1.000%
2012/2013	623,470,665	11,560,623	(30,403,885)	604,627,403	0.833%	1.000%
2013/2014	643,002,063	10,520,113	(30,569,761)	622,952,415	3.031%	1.000%

Notes:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property tax may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of the taxable property and is subject to the limitations described above.

Source: Shasta County Assessor's Annual Report

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CITY OF SHASTA LAKE
Property Tax - Rates (Direct and Overlapping Governments) and City Levies and Collections
Last Ten Fiscal Years

Fiscal Year	City of Shasta Lake Rates			Overlapping Rates			
	Basic Countywide Levy*	City*	Total Direct Tax Rate*	Gateway Unified School District 2002	Gateway Unified School District 2008	Shasta Tehama Trinity Community College	Shasta Dam PUD Davis Grunsky
2005	1.0000%	0.0000%	1.0000%	0.0255%	0.0000%	0.0045%	0.0010%
2006	1.0000%	0.0000%	1.0000%	0.0329%	0.0000%	0.0037%	0.0026%
2007	1.0000%	0.0000%	1.0000%	0.0440%	0.0000%	0.0069%	0.0010%
2008	1.0000%	0.0000%	1.0000%	0.0352%	0.0000%	0.0118%	0.0002%
2009	1.0000%	0.0000%	1.0000%	0.0343%	0.0000%	0.0091%	0.0001%
2010	1.0000%	0.0000%	1.0000%	0.0397%	0.0101%	0.0101%	0.0001%
2011	1.0000%	0.0000%	1.0000%	0.0442%	0.0062%	0.0162%	0.0001%
2012	1.0000%	0.0000%	1.0000%	0.0604%	0.0188%	0.0095%	0.0001%
2013***	1.0000%	0.0000%	1.0000%	0.0621%	0.0141%	0.0054%	0.0001%
2014	1.0000%	0.0000%	1.0000%	0.0680%	0.0291%	0.0107%	0.0014%

Notes:

* On June 6, 1978, California voters approved an amendment to Article XIII A of the State Constitution. The amendment, commonly known as Proposition 13, limits the taxing power of California public agencies. The California Legislature enacted legislation to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) providing that local agencies may not levy any property tax, except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each county will levy the maximum tax permitted of \$1.00 per \$100 of full assessed value.

** Amounts affected by alternate method of apportioning. Participating agencies are paid 100% of the current levy adjusted by file maintenance.

*** RDA pass through removed from AB8 factor. These numbers represent current secured and separate pass through.

Source: Shasta County Auditor/Controller's Office

**City of Shasta Lake
Levies and Collections**

Shasta DamPUD CA State Loan	Bella Vista Water (land only)	Total Direct and Overlapping Rates	Total Tax Levy	Current Tax Collections**	Percent of Current Taxes Collected**
0.0155%	0.3472%	1.3937%	\$ 454,804	\$ 445,330	97.92%
0.0124%	0.3544%	1.4060%	489,025	479,084	97.97%
0.0129%	0.3332%	1.3980%	530,547	514,134	96.91%
0.0033%	0.3346%	1.3851%	583,001	559,771	96.02%
0.0000%	0.3529%	1.3964%	599,640	571,735	95.35%
0.0000%	0.3700%	1.4300%	576,012	562,903	97.72%
0.0000%	0.3700%	1.4367%	576,156	551,352	95.69%
0.0000%	0.3700%	1.4588%	563,585	547,036	97.06%
0.0000%	0.3700%	1.4517%	563,574	563,432	99.97%
0.0000%	0.3680%	1.4772%	586,005	602,277	102.78%

CITY OF SHASTA LAKE
Principal Property Tax Payers
Current Year and One Year Ago

Fiscal Year 2013/2014				
Taxpayer	Type of Business	Rank	2014 Assessed Value	Percent of Total Assessed Value
Knauf Fiber Glass	Industrial	1	\$ 132,578,106	21.65%
Humboldt Flakeboard	Industrial	2	8,336,392	1.36%
Tara Hills Garden Investors	Apartments	3	5,204,181	0.85%
Fresenius	Industrial	4	4,771,565	0.78%
Shasta Community Health Center	Medical	5	2,814,945	0.46%
Rite Aid	Retail	6	2,700,000	0.44%
Bronze Court LLC	Industrial	7	1,500,000	0.24%
Twin Lakes Mobile Home Park	Housing	8	1,394,850	0.23%
McDonald's	Restaurants	9	1,266,791	0.21%
Twin Lakes Mobile Home Park	Housing	10	1,173,082	0.19%
Top Ten Secured Valuation			161,739,912	26.41%
Other Secured			450,722,210	73.59%
Total Secured - Net of Exemptions			<u>612,462,122</u>	<u>100.00%</u>
Assessor's Annual Report for 1-1 Secured Less Exemptions				<u>\$ 612,462,122</u>

Fiscal Year 2012/2013				
Taxpayer	Type of Business	Rank	2014 Assessed Value	Percent of Total Assessed Value
Knauf Fiber Glass	Industrial	1	\$ 132,676,494	22.37%
Humboldt Flakeboard	Industrial	2	8,289,313	1.40%
Tara Hills Garden Investors	Apartments	3	5,180,820	0.87%
Fresenius	Industrial	4	4,750,000	0.80%
Shasta Community Health Center	Medical	5	2,821,809	0.48%
Rite Aid	Retail	6	2,600,000	0.44%
Trenchless Pipe	Industrial	7	1,650,000	0.28%
Bronze Court LLC	Industrial	8	1,500,000	0.25%
Premier Brand Meats	Industrial	9	1,443,860	0.24%
Twin Lakes Mobile Home Park	Housing	10	1,394,850	0.24%
Top Ten Secured Valuation			162,307,146	27.36%
Other Secured			430,818,854	72.64%
Total Secured - Net of Exemptions			<u>593,126,000</u>	<u>100.00%</u>
Assessor's Annual Report for 1-1 Secured Less Exemptions				<u>\$ 593,126,000</u>

Note: Data pertaining to fiscal year 2004/2005 is not available, the latest prior year available is fiscal year 2012/2013.

Source: Shasta County Assessor's Annual Report

CITY OF SHASTA LAKE
Property Value and Construction
Last Ten Fiscal Years

Fiscal Year	Commercial Construction		Residential Construction	
	Number of Permits	Value	Number of Permits	Value
2004/2005	14	\$ 933,681	131	\$ 6,539,611
2005/2006	10	2,460,827	162	10,855,672
2006/2007	15	3,020,474	101	6,642,117
2007/2008	10	253,545	67	4,695,464
2008/2009	5	252,682	36	1,951,381
2009/2010	5	617,444	38	1,742,629
2010/2011	8	1,773,401	26	942,518
2011/2012	6	353,466	21	598,440
2012/2013	1	1,000	13	1,080,739
2013/2014	1	184,000	13	1,689,821

Notes: Residential and commercial constructions reflects new additions to building activity only.
New construction residential includes both single family and multi-family dwellings.

Source: City of Shasta Lake Development Services Department

CITY OF SHASTA LAKE
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		
	Special Assessment Bonds	Tax Allocation Bonds	Loans	Total	Revenue Bonds	Loans	Financing Leases
2004/2005	\$ 189,000	\$ 4,735,000	\$ 717,911	\$ 5,641,911	\$ 12,540,000	\$ 638,414	\$ -
2005/2006	178,000	10,183,000	448,439	10,809,439	12,140,000	5,576,677	-
2006/2007	167,000	9,920,000	345,077	10,432,077	11,730,000	5,542,416	-
2007/2008	156,000	9,658,000	238,588	10,052,588	11,310,000	5,390,785	-
2008/2009	145,000	9,382,000	191,684	9,718,684	10,870,000	5,234,096	-
2009/2010	3,576,000	5,455,000	144,593	9,175,593	10,415,000	5,072,252	-
2010/2011	3,490,000	5,240,000	137,142	8,867,142	9,940,000	4,905,056	285,790
2011/2012	3,394,000	-	129,486	3,523,486	9,445,000	4,732,358	238,117
2012/2013	3,294,000	-	121,656	3,415,656	8,930,000	4,553,880	188,621
2013/2014	3,188,000	-	113,412	3,301,412	8,395,000	4,369,516	137,232

Source: City of Shasta Lake Financial Records
U.S. Census Bureau
State of California, Department of Finance, Demographic Research Unit

Total	Total Primary Government	Population	Debt Per Capita
\$ 13,178,414	\$ 18,820,325	10,033	\$ 1,876
17,716,677	28,526,116	10,204	2,796
17,272,416	27,704,493	10,325	2,683
16,700,785	26,753,373	10,293	2,599
16,104,096	25,822,780	10,279	2,512
15,487,252	24,662,845	10,269	2,402
15,130,846	23,997,988	10,294	2,331
14,415,475	17,938,961	10,125	1,772
13,672,501	17,088,157	10,077	1,696
12,901,748	16,203,160	10,100	1,604

CITY OF SHASTA LAKE
Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Gross Bonded Debt	Debt Payable from Enterprise Revenue	Net Bonded Debt	Total Assessed Valuation	% of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2004/2005	10,033	\$ 18,820,325	\$ 13,178,414	\$ 5,641,911	\$495,923,774	1.14%	\$ 562.34
2005/2006	10,204	28,526,116	17,716,677	10,809,439	545,521,188	1.98%	1,059.33
2006/2007	10,325	27,704,493	17,272,416	10,432,077	614,322,066	1.70%	1,010.37
2007/2008	10,293	26,753,373	16,700,785	10,052,588	676,623,586	1.49%	976.64
2008/2009	10,279	25,822,790	16,104,096	9,718,694	704,410,900	1.38%	945.49
2009/2010	10,269	24,662,845	15,487,252	9,175,593	682,180,855	1.35%	893.52
2010/2011	10,294	23,997,979	14,845,056	9,152,923	649,067,490	1.41%	889.15
2011/2012	10,125	17,938,961	14,177,358	3,761,603	620,144,622	0.61%	371.52
2012/2013	10,077	17,088,157	13,483,880	3,604,277	635,031,288	0.57%	357.67
2013/2014	10,100	16,202,520	12,764,498	3,438,022	653,522,176	0.53%	340.40

Source: City of Shasta Lake Financial Records

CITY OF SHASTA LAKE
Ratio of Annual Debt Service for Bonded Debt to Total General Expenditures
Last Ten Fiscal Years

Fiscal Year	Net Bonded Debt	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures
2004/2005	\$ 5,641,911	\$ 570,842	\$ 9,034,661	6.32%
2005/2006	10,809,439	1,509,946	11,920,177	12.67%
2006/2007	10,432,077	898,379	9,613,112	9.35%
2007/2008	10,052,588	876,341	11,340,163	7.73%
2008/2009	9,718,684	813,549	13,644,817	5.96%
2009/2010	9,175,593	1,001,868	12,334,640	8.12%
2010/2011	9,152,923	745,826	15,028,162	4.96%
2011/2012	3,761,603	526,901	11,014,235	4.78%
2012/2013	3,604,277	264,338	8,117,917	3.26%
2013/2014	3,438,022	275,287	7,529,761	3.66%

CITY OF SHASTA LAKE
Computation of Legal Bonded Debt Margin
Last Ten Fiscal Years

	Fiscal Year			
	<u>2013/2014</u>	<u>2012/2013</u>	<u>2011/2012</u>	<u>2010/2011</u>
Net Assessed Value	\$ 622,952,415	\$ 604,627,403	\$ 599,633,246	\$ 649,067,490
Plus Exempt Property	<u>30,569,761</u>	<u>30,403,885</u>	<u>30,102,800</u>	<u>30,486,666</u>
Total Assessed Value	<u><u>\$ 653,522,176</u></u>	<u><u>\$ 635,031,288</u></u>	<u><u>\$ 629,736,046</u></u>	<u><u>\$ 679,554,156</u></u>
Debt Limit				
15% of Total Assessed Value	\$ 98,028,326	\$ 95,254,693	\$ 94,460,407	\$ 101,933,123
Less Outstanding General Obligation Debt	<u>3,438,022</u>	<u>3,604,277</u>	<u>3,761,603</u>	<u>9,152,923</u>
Legal Debt Margin	<u><u>\$ 94,590,304</u></u>	<u><u>\$ 91,650,416</u></u>	<u><u>\$ 90,698,804</u></u>	<u><u>\$ 92,780,200</u></u>

Source: Shasta County Auditor's Office
City of Shasta Lake Financial Records

<u>2009/2010</u>	<u>2008/2009</u>	<u>2007/2008</u>	<u>2006/2007</u>	<u>2005/2006</u>	<u>2004/2005</u>
\$ 682,180,855	\$ 704,410,900	\$ 676,623,586	\$ 614,322,066	\$ 545,521,188	\$ 495,923,774
<u>29,830,360</u>	<u>29,893,900</u>	<u>29,871,825</u>	<u>27,548,279</u>	<u>25,523,730</u>	<u>24,858,853</u>
<u>\$ 712,011,215</u>	<u>\$ 734,304,800</u>	<u>\$ 706,495,411</u>	<u>\$ 641,870,345</u>	<u>\$ 571,044,918</u>	<u>\$ 520,782,627</u>
\$ 106,801,682	\$ 110,145,720	\$ 105,974,312	\$ 96,280,552	\$ 85,656,738	\$ 78,117,394
<u>9,175,593</u>	<u>9,718,684</u>	<u>10,052,588</u>	<u>10,432,077</u>	<u>10,809,439</u>	<u>5,641,911</u>
<u>\$ 97,626,089</u>	<u>\$ 100,427,036</u>	<u>\$ 95,921,724</u>	<u>\$ 85,848,475</u>	<u>\$ 74,847,299</u>	<u>\$ 72,475,483</u>

CITY OF SHASTA LAKE
Economic Information
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Personal Income (2)</u>
2005	10,033	10.1%	19,770
2006	10,204	9.1%	19,770
2007	10,325	10.3%	19,770
2008	10,293	13.6%	19,770
2009	10,279	19.7%	19,770
2010	10,269	20.5%	18,216
2011	10,294	20.1%	18,216
2012	10,125	18.1%	18,216
2013	10,077	13.9%	18,216
2014	10,100	10.7%	18,216

Notes: (1) These are annual average rates
(2) The Census Bureau does this study on a 5-year basis

Source: California Department of Finance
California Employment Development Department
2000 US Census

**CITY OF SHASTA LAKE
Principal Employers
2014**

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Gateway Unified School District	401	1	10.6%
Sierra Pacific	148	2	3.9%
Knauf Insulation	120	3	3.2%
City of Shasta Lake	48	4	1.3%
McDonald's	36	5	0.9%
Farmers Market Place	43	6	1.1%
Fresinius Medical Care	42	7	1.1%
Premiere Brand Meats	21	8	0.6%
Rite Aid	20	9	0.5%
Lawrence & Associates	17	10	0.4%
Total Employment, City of Shasta Lake	3,800		

Source: City Business License records
California Employment Development Department

CITY OF SHASTA LAKE
Authorized Full-time Equivalent Employees (FTE) by Department
Last Ten Fiscal Years

	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
Water	2.00	2.00	2.00	2.00
Electric	9.00	10.00	11.00	11.00
Wastewater	3.00	3.00	3.00	3.00
City Manager, City Clerk, and Grant	7.60	6.60	6.60	6.60
Finance & Customer Service	8.20	9.10	10.00	10.00
Building Use & Planning	4.40	4.40	5.40	5.40
Public Works & Motor Pool & Other	10.20	12.70	14.50	15.10
Animal Control	1.90	1.90	1.90	1.90
Total Full-Time Equivalent Employees	<u>46.30</u>	<u>49.70</u>	<u>54.40</u>	<u>55.00</u>

Source: City of Shasta Lake Personnel Department

<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
3.00	3.00	3.00	2.00	3.00	3.00
11.00	11.00	10.00	9.00	10.00	10.00
3.00	3.00	3.00	3.00	3.00	3.00
6.60	7.10	6.50	4.00	4.00	4.37
10.30	10.10	8.90	7.45	8.95	8.00
5.40	6.10	4.20	4.00	4.50	5.00
16.20	16.40	12.60	11.75	11.80	12.50
1.90	1.90	1.90	2.00	1.75	2.63
<u>57.40</u>	<u>58.60</u>	<u>50.10</u>	<u>43.20</u>	<u>47.00</u>	<u>48.50</u>

CITY OF SHASTA LAKE
Operating and Capital Indicators
Last Ten Calendar Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Area in acres	6,950	6,950	6,950	6,950
Street miles	64	64	64	64
Park acreage	45	45	45	45
Environment and Utilities				
Water connections	3,650	3,682	3,718	3,722
Electric connections	4,390	4,428	4,443	4,469
Sewer connections	3,215	3,240	3,264	3,333
Police				
Calls for service	12,755	11,016	11,062	11,829

Note: * Reported on calendar year excludes November 2014 to December 2014

Source: California Department of Finance
City of Shasta Lake records

2009	2010	2011	2012	2013	2014
6,950	6,950	6,950	6,950	6,950	6,950
64	64	64	64	64	64
45	45	45	45	45	45
3,700	3,679	3,655	3,646	3,665	3,672
4,450	4,419	4,407	4,385	4,401	4,406
3,331	3,322	3,295	3,283	3,300	3,314
11,005	11,651	10,517	10,842	11,829	*12,138

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