

*CITY OF SHASTA LAKE,
STATE OF CALIFORNIA*



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ended
June 30, 2016**

CITY OF SHASTA LAKE,
STATE OF CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended
June 30, 2016*



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**City of Shasta Lake,
California**

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2016**

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

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For the Year Ended June 30, 2016

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INTRODUCTORY SECTION

- **Letter of Transmittal**
- **Government Finance Officer's Association
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- **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



December 8, 2016

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, 2016. The fiscal year covers financial transactions from July 1, 2015 to June 30, 2016 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, 2016. 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. The MD&A compliments 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 10,020 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, 2016, 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. The Finance Director 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

City Management believes that the City's financial position is distinctly different and more encouraging than it has been for many years. The City adopted a two-year budget in June 2016 for fiscal years ending June 30, 2017 and 2018. Budget projections for expenditures remained conservative, but with an increased focus on renovation of existing deteriorated buildings and new capital improvement projects. The economy has improved considerably and has allowed the City to look forward to new growth, albeit cautiously. Management continues to monitor expenses and find ways to slow expenditure growth.

From an economic development perspective, the City is seeing renewed interest in numerous projects. 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 soon.

City Council approved the Wastewater Treatment Facility Direct Discharge Project. City Staff anticipates the project to cost \$20.8 million, with \$17.4 million in assistance from the Clean Water State Revolving Fund Loan Program. The project expected completion date is December 2018.

City Council approved construction of a new City Hall for approximately \$5.8 million, which has an expected completion date of March 2019.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2015. The City achieved this prestigious national award for the first time in 2014. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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. 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. Shasta Lake citizens set out independently, with their own resource to beautify their city with painted bikes at business locations. The City has a small town vibe and boasts community events such as Friday Night in the Park, Shasta Damboree, a Veterans' Day parade, and an annual Christmas Tree Lighting and Community Party.

Shasta Lake continues to provide 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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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Shasta Lake
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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CITY OF SHASTA LAKE
City Officials
For the Year Ended June 30, 2016

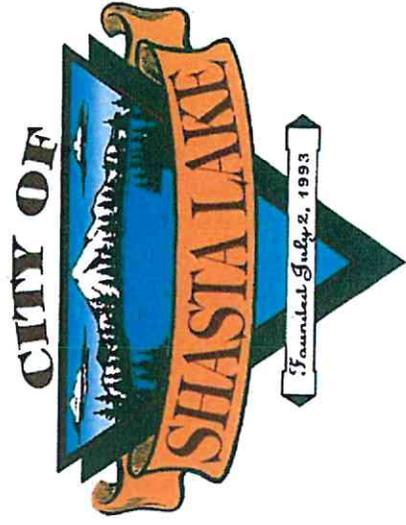
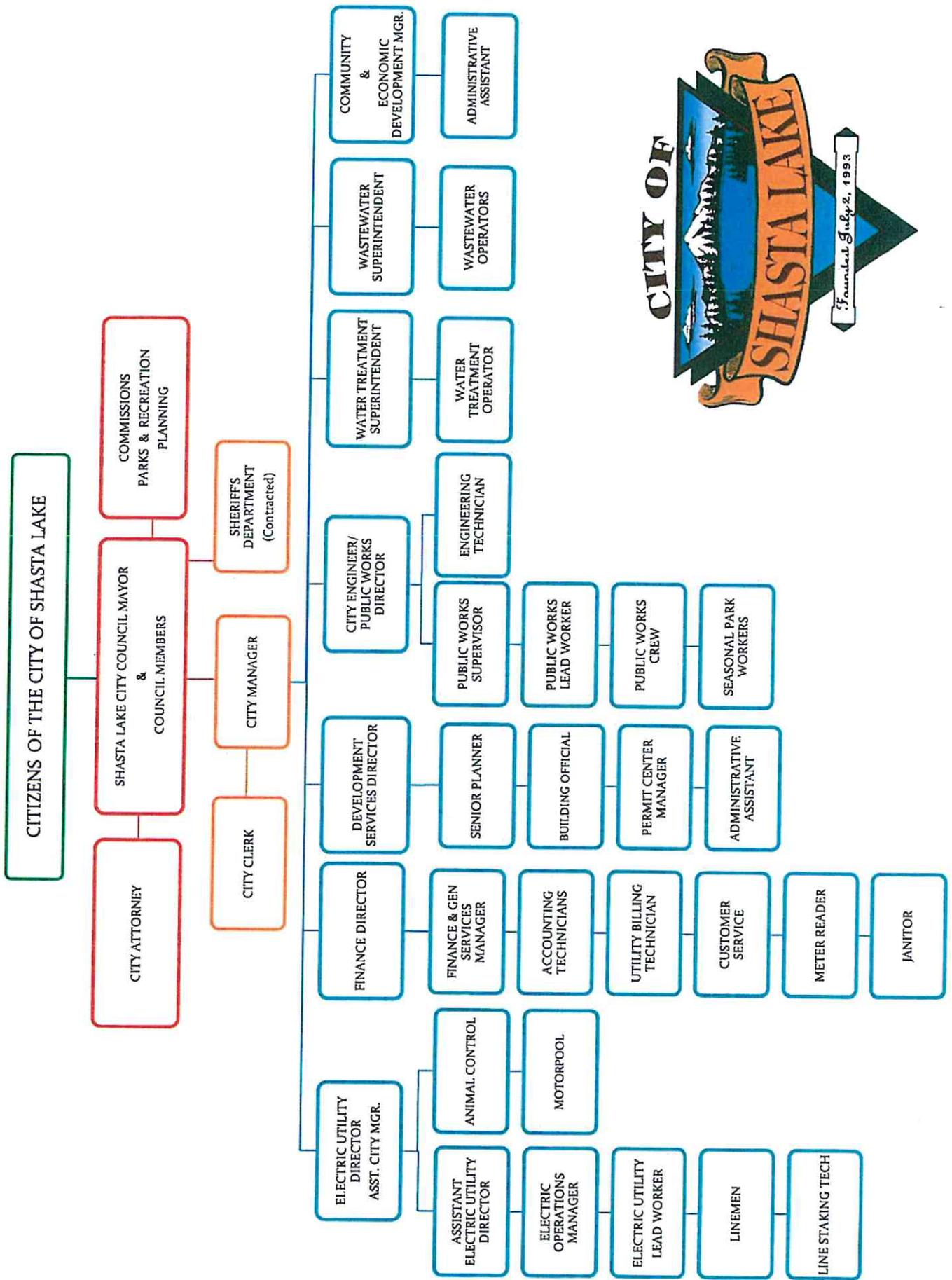
Elected Officials

Lori Chapman - Sifers..... Mayor
Richard Kern..... Vice-Mayor
Larry Farr. Member
Pamelyn Morgan..... Member
Greg Watkins. 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
Farhad Mortazavi Interim Development Services Director
Tony Thomasy. Water Treatment Superintendent
Tom Chism. Wastewater Treatment Superintendent
Jessaca Lugo..... Economic Development Manager
Tom Campbell. Sheriff's Captain
Toni Coates..... City Clerk

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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
Shasta Lake, 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, 2016, 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
Shasta Lake, 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, 2016, 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 1U to the financial statements, in 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement Nos. 72, 73, 76 and 79. Our opinion is not modified with respect to these matters.

As described in Note 11, the net pension liability is measured as of June 30, 2015 and the pension expense is for the measurement period of 2014-2015. 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, City Pension Plan-Schedule of Proportionate Share of Net Pension Liability, City Pension Plan-Schedule of Contributions, Notes to the City Pension Plan, City OPEB Plan - 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 schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

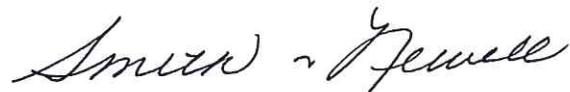
To the Honorable Mayor and
Members of the City Council
City of Shasta Lake
Shasta Lake, California

The combining and individual nonmajor fund financial statements and schedules 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 and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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 December 8, 2016 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.



Smith & Newell CPAs
Yuba City, California
December 8, 2016

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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, 2016. 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 \$110,354,686 (net position). Of this amount, \$23,822,304 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$2,005,248. The governmental activities net position increased by \$2,201,879 and the business-type activities net position decreased by \$196,631.
- The City's total debt decreased by \$7,409,837 during the current fiscal year. The decrease is due to the payment of \$7,000,000 towards extinguishing the revenue bonds and the remainder was due to scheduled annual debt service payments.

Fund Financials

- At the close of fiscal year 2015-16, governmental funds reported combined ending fund balance of \$15,170,101, an increase of \$2,300,055 compared to the prior fiscal year's increase of \$1,451,161, which is primarily due to an increase in tax revenues and a decrease in capital outlay. The ending fund balance is primarily identified as: \$10,182,626 restricted (67 percent), \$4,693,366 assigned (31 percent), and \$294,109 unassigned (2 percent).
- At the end of the current fiscal year, the combined fund balance for the General fund was \$5,590,505. This represents an increase of \$2,599,523, which consists of \$596,191 in restricted funds, \$4,693,366 in assigned funds, and \$300,948 in unassigned funds.
- Proprietary funds reported a combined ending unrestricted net position of \$18,315,921, a decrease of \$4,601,046, compared to the prior year's decrease of \$2,649,843. This decrease is primarily due to the complete payoff of the revenue bond debt during the year.

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 assets 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 include 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 consist 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 **17-19** 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 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 **78-79** and **90-91**.

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 major special revenue fund to demonstrate compliance with this budget on pages **71-72**.

The basic governmental fund financial statements can be found on pages **20-23** 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 business-type rather than governmental functions, they have been included within business-type 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 **96-98**.

The basic proprietary funds financial statements can be found on pages **24-28** 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 **29-30** 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 **31-66** 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 **67-70** 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 **74-101** of this report.

Statistical tables regarding; fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operation information can be found on pages **102-124** 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 \$110,354,686 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, 2016 and 2015:

	NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
Current and other assets	\$ 18,145,471	\$ 20,244,473	\$ 29,537,457	\$ 22,458,697	\$ 47,682,928	\$ 42,703,170
Capital assets	50,289,770	50,037,274	35,498,829	34,046,312	85,788,599	84,083,586
Total assets	68,435,241	70,281,747	65,036,286	56,505,009	133,471,527	126,786,756
Deferred outflows of resources	205,530	300,255	338,026	509,499	543,556	809,754
Current liabilities	3,729,898	2,319,285	4,890,788	1,949,262	8,620,686	4,268,547
Long-term liabilities	3,315,211	4,752,412	12,284,915	7,549,976	15,600,126	12,302,388
Total liabilities	7,045,109	7,071,697	17,175,703	9,499,238	24,220,812	16,570,935
Deferred inflows of resources	546,323	259,087	898,510	411,802	1,444,833	670,889
Net position						
Net investment in capital assets	47,105,807	46,980,971	23,395,913	29,225,573	70,501,720	76,206,544
Restricted	10,781,288	10,262,714	987,219	63,124	11,768,507	10,325,838
Unrestricted	3,162,244	6,007,533	22,916,967	17,814,771	26,079,211	23,822,304
Total net position	\$ 61,049,339	\$ 63,251,218	\$ 47,300,099	\$ 47,103,468	\$ 108,349,438	\$ 110,354,686

By far, the largest portion of the City's net position (69 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, \$10,325,838 (9 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$23,822,304 (22 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 increased overall by \$2,005,248 during the year.

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	
	2015	2016	2015	2016	2015	2016
Revenues:						
Program Revenues						
Charges for services	\$ 3,463,469	\$ 3,400,720	\$ 24,133,455	\$ 25,419,635	\$ 27,596,924	\$ 28,820,355
Operating grants and contributions	1,749,838	1,571,797	-	-	1,749,838	1,571,797
Capital grants and contributions	304,440	254,623	151,046	49,265	455,486	303,888
General Revenues						
Sales tax	777,837	823,755	-	-	777,837	823,755
Property tax	1,020,590	1,015,622	-	-	1,020,590	1,015,622
Transient and occupancy taxes	8,036	7,691	-	-	8,036	7,691
Other taxes	408,405	647,552	-	-	408,405	647,552
Unrestricted grants & contributions	759,393	784,970	-	-	759,393	784,970
Interest and investment earnings	21,089	95,846	130,341	235,266	151,430	331,112
Other	42,329	21,726	263,754	192,679	306,083	214,405
Loss on sale of property	-	-	-	(226,009)	-	(226,009)
Total revenues	8,555,426	8,624,302	24,678,596	25,670,836	33,234,022	34,295,138
Expenses:						
General government	2,061,600	2,056,476	-	-	2,061,600	2,056,476
Public safety	2,802,199	2,889,166	-	-	2,802,199	2,889,166
Recreation and culture	302,959	295,177	-	-	302,959	295,177
Planning	668,710	547,822	-	-	668,710	547,822
Public works	1,949,843	1,963,018	-	-	1,949,843	1,963,018
Community development	328,401	240,983	-	-	328,401	240,983
Interest and fiscal charges on long-term debt	159,790	147,472	-	-	159,790	147,472
Water	-	-	2,459,582	2,952,972	2,459,582	2,952,972
Electric	-	-	19,374,664	18,664,440	19,374,664	18,664,440
Wastewater	-	-	2,141,935	2,448,732	2,141,935	2,448,732
Industrial park	-	-	142,459	83,632	142,459	83,632
Total expenses	8,273,502	8,140,114	24,118,640	24,149,776	32,392,142	32,289,890
Increase (decrease) in net position before transfers	281,924	484,188	559,956	1,521,060	841,880	2,005,248
Transfers	(65,000)	1,717,691	65,000	(1,717,691)	-	-
Increase (decrease) in net position	216,924	2,201,879	624,956	(196,631)	841,880	2,005,248
Net position, beginning of year	62,823,596	61,049,339	49,949,942	47,300,099	112,773,538	108,349,438
Cumulative effect-change in principal	(1,991,181)	-	(3,274,799)	-	(5,265,980)	-
Net position, beginning of year	60,832,415	61,049,339	46,675,143	47,300,099	107,507,558	108,349,438
Net position, end of year	\$ 61,049,339	\$ 63,251,218	\$ 47,300,099	\$ 47,103,468	\$ 108,349,438	\$ 110,354,686

Governmental Activities - Governmental activities increased the City's net position by \$2,201,879. Key elements of activities performed in the fiscal year ended June 30, 2016 are as follows:

Program revenues decreased \$311,806 due to a decrease in operating grants and contributions, charges for services and capital grants and contributions. The major changes are highlighted below:

- Charges for services remained consistent with the previous year.
- Operating grants and contributions decreased due to the PIHNC Langfield project being completed in the prior year.
- Capital grants and contributions remained consistent with the previous year.

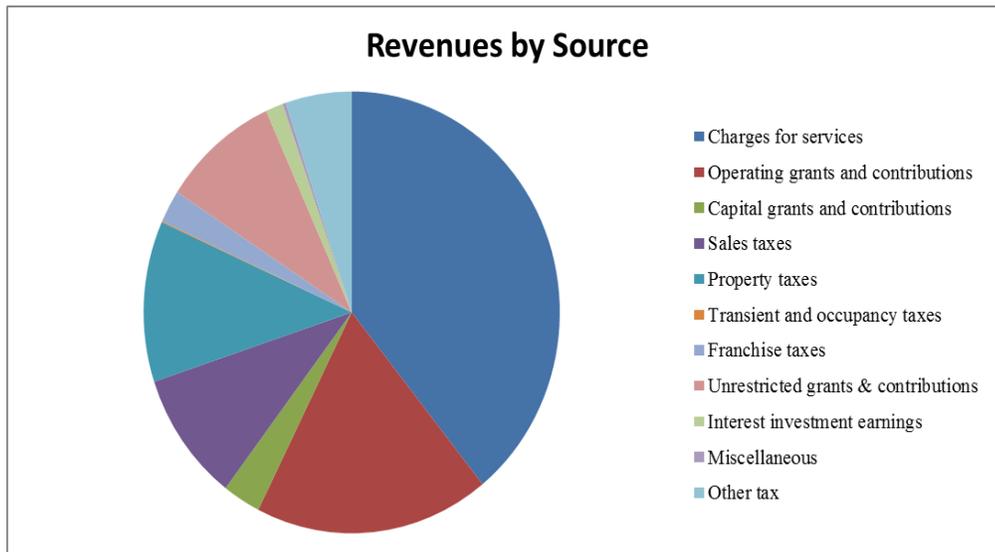
General revenues increased \$380,682 due to tax revenue increases. The major changes are highlighted below:

- Other taxes increased \$239,147 due to the special business tax, which was a marijuana tax initiative voted in by the citizens of Shasta Lake in November 2014.
- Interest and investment earnings increased \$74,759 due to transfer of monies from LAIF to a brokerage account with higher returns.

As the chart below depicts, the largest source of revenues are charges for services followed by operating grants and contributions, which comprises 41 percent of total revenues for governmental activities.

Revenues by Source
Governmental Activities
For the Year Ended June 30, 2016

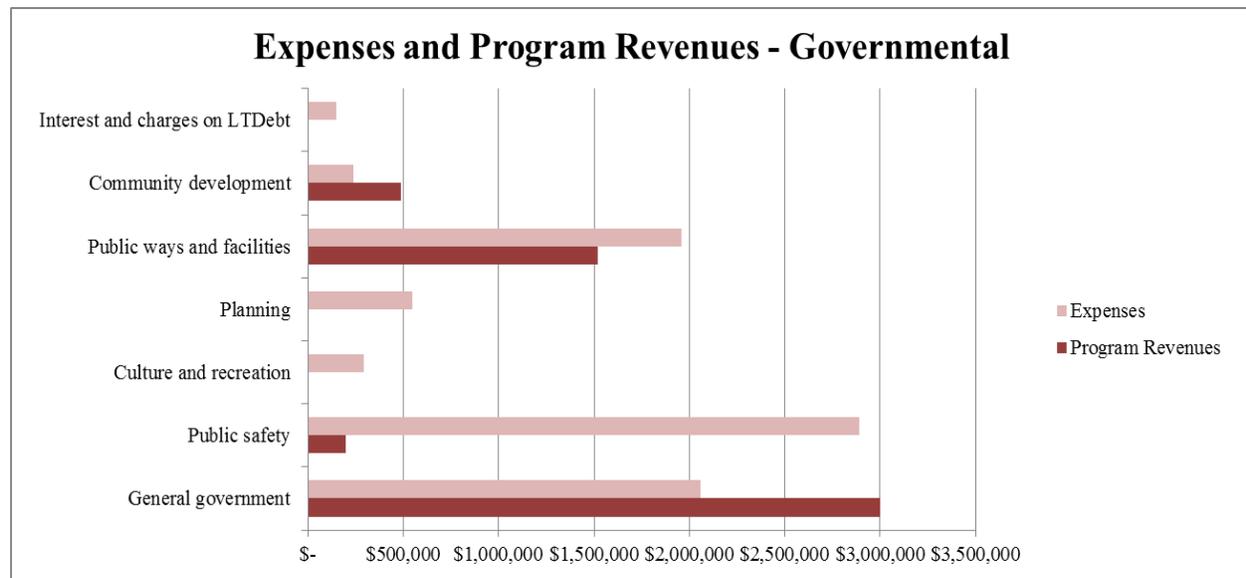
Revenues Source	Revenue	% of Total
Charges for services	\$ 3,400,720	39.19%
Operating grants and contributions	1,571,797	18.23%
Capital grants and contributions	254,623	2.95%
Sales taxes	823,755	9.55%
Property taxes	1,015,622	11.78%
Transient and occupancy taxes	7,691	0.09%
Franchise taxes	204,991	2.38%
Unrestricted grants & contributions	784,970	9.10%
Interest investment earnings	95,846	1.36%
Miscellaneous	21,726	0.25%
Other tax	442,561	5.12%
Total	\$ 8,624,302	100.00%



As shown 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, 2016

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General government	\$ 2,056,476	25.26%	\$ 3,021,439	57.80%	\$ 964,963
Public safety	2,889,166	35.49%	196,573	3.76%	(2,692,593)
Culture and recreation	295,177	3.63%	1,505	0.03%	(293,672)
Planning	547,822	6.73%	-	0.00%	(547,822)
Public ways and facilities	1,963,018	24.12%	1,520,894	29.10%	(442,124)
Community development	240,983	2.96%	486,729	9.31%	245,746
Interest and charges on LTDebt	147,472	1.81%	-	0.00%	(147,472)
Total	\$ 8,140,114	100.00%	\$ 5,227,140	100.00%	\$ (2,912,974)



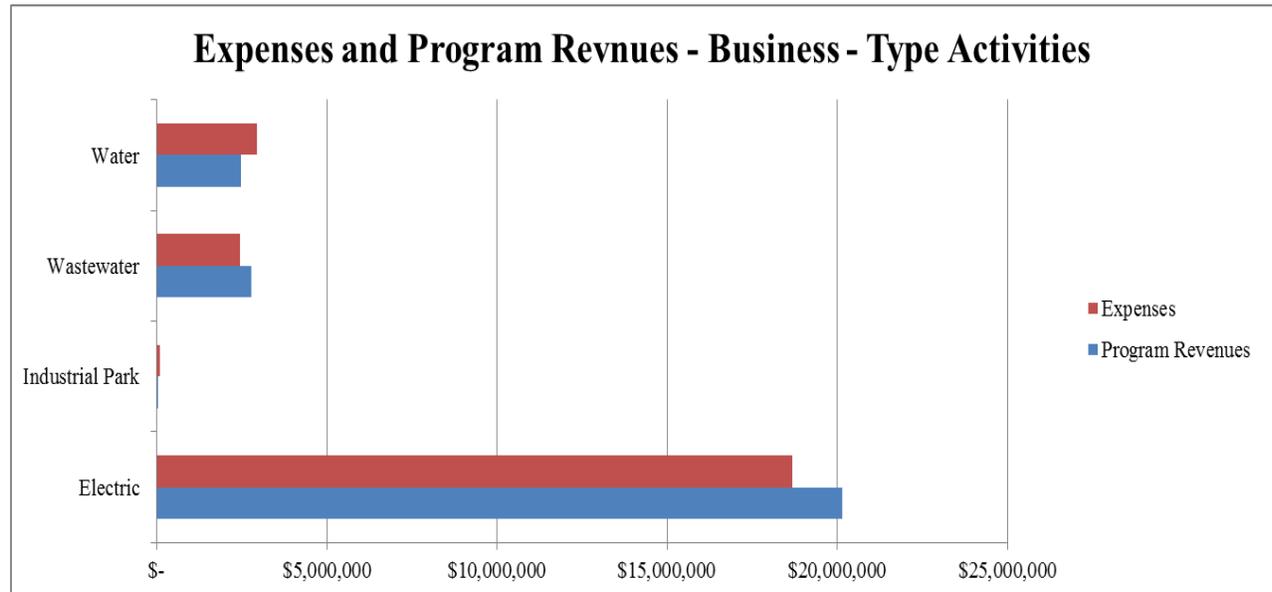
Expenses increased \$133,388 which is consistent with prior year. The city has been cautious about increasing expenditures due to slow economic growth.

Business-type Activities - Business-type activities decreased the City's net position by \$196,631, compared to prior fiscal year's increase of \$624,956. Key elements of this change are as follows.

- Water Utility fund's net position decreased \$635,761, compared to the prior fiscal year's increase of \$155,752. The decrease was primarily due to the ongoing drought and restrictions placed on water consumption.
- Electric Utility fund's net position increased \$1,043,388, compared to the prior fiscal year's decrease of \$123,849. The main reason for the increase was due to energy purchase expenditures decreasing from prior year.
- Wastewater Utility fund's net position increased \$28,765, compared to the prior fiscal year's increase of \$606,588. This small increase is consistent and comparable with previous years excluding one-time accounting adjustments.
- Industrial Park fund (other enterprise fund) decreased \$694,625, compared to the prior fiscal year's decrease of \$14,539. The decrease was due a loss realized by the sale of the majority of assets held by the industrial park.
- Internal Service fund's net position increased \$78,597, compared to the prior fiscal year's increase of \$1,571. The increase was due to the accounting associated with the implementation of GASB 68.

As shown below, the Electric Utility fund had the greatest total expenses with \$18,753,947 out of \$24,204,236 in total business-type expenses. For all the business-type activities below, charges for services provide the largest share of revenues (99 percent).

Funds	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Electric	\$ 18,664,440	77.29%	\$ 20,153,868	79.13%	\$ 1,489,428
Industrial Park	83,632	0.35%	49,265	0.19%	(34,367)
Wastewater	2,448,732	10.14%	2,790,033	10.95%	341,301
Water	2,952,972	12.23%	2,475,734	9.72%	(477,238)
Total	\$ 24,149,776	100.00%	\$ 25,468,900	100.00%	\$ 1,319,124



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 \$15,170,101 an increase of \$2,300,055 when compared to the prior fiscal year. The increase is primarily due to balances set aside for the construction of city hall. Assigned fund balance (available for specific purposes) of \$4,693,366 consists of debt owed to the Electric Utility fund for the refinancing of debt of \$583,427, obligations for accounts payable and payroll of \$328,910, and \$3,307,000 for city hall construction. The remainder of fund balance, \$10,182,626, is restricted by outside sources. Refer to pages **20-23** 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 \$300,948. Total fund balance at the end of the year is \$5,590,505. The fund balance of the City's General fund increased by \$2,599,523 during the current fiscal year. The primary factor for this increase has been discussed above. Refer to page **20** for more detail of fund balance.

General Fund Revenues for fiscal year 2015-16, including transfers in, were \$8,802,027, an increase of \$2,518,960 compared to prior fiscal year. Key elements of the changes are as follows:

- Transfers in increased \$2,037,181 primarily due to funds set aside for the construction of city hall.
- Tax revenue increased \$284,096 primarily due to the implementation of the special business tax and due to a slight increase of the value of property tax.

General Fund Expenditures for fiscal year 2015-16, including transfers out were \$6,202,504, increased \$502,992 (8 percent). Key elements of the changes are as follows:

- Capital outlay increased by \$285,920 due to the remodel of the John Beaudet community center during 2016.

Other Major Governmental Funds – 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 \$18,315,921. 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 **71**. Differences between the original expenditure budget and the final amended budget was an increase in total appropriations of \$6,423,763. Some of the major changes are summarized below:

- A \$6,108,908 increase by resolution for construction of the new city hall building and improvements to the John Beaudet community center.
- A \$144,680 increase to accommodate the Shasta County Sherriff's office for police services.

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, 2016, amounts to \$84,083,586 (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 **47-49** in the notes to the basic financial statements.

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

- \$167,919 was expended for replacement of water treatment filter no. 2.
- \$94,125 on new metal storage buildings for the Electric Utility Department.
- \$58,012 for new vehicles
- \$383,929 on the community center remodel project
- \$109,604 expended on continued improvements to the sewer line.
- \$6,645 to complete Interstate 5 URD crossings (moving power lines underground).
- Pump station repairs of \$47,488.
- \$22,345 in construction in progress on the Wastewater Treatment Plant Facility.
- \$406,466 in construction in progress for sewer direct discharge project.
- \$218,059 in construction in progress for water treatment plant dewatering centrifuge
- \$661,497 in paving for Ashby Road

Changes in capital assets consist of the following:

Changes in Capital Assets

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Governmental activities				
Land, easements & rts of way	\$ 3,700,494	\$ -	\$ -	\$ 3,700,494
Infrastructure and land improvmts	51,735,018	-	-	51,735,018
Construction	8,791,432	401,871	-	9,193,303
Machinery & equipment	607,354	19,386	-	626,740
Vehicles	34,571	-	-	34,571
Construction in progress	31,923	1,164,033	523,510	672,446
Total	64,900,792	1,585,290	523,510	65,962,572
Less accumulated depreciation	(14,611,022)	(1,314,276)	-	(15,925,298)
Governmental activities				
Capital assets, net	50,289,770	271,014	523,510	50,037,274
Business-type activities				
Land	2,122,396	-	285,020	1,837,376
General and utility plant	67,030,031	598,128	158,131	67,470,028
Building and improvements	2,229,947	99,825	1,012,073	1,317,699
Equipment and vehicles	3,778,295	58,012	411,617	3,424,690
Construction in progress	754,846	679,752	82,126	1,352,472
Total	75,915,515	1,435,717	1,948,967	75,402,265
Less accumulated depreciation	(40,416,686)	(2,047,663)	1,108,396	(41,355,953)
Business-type activities				
Capital assets, net	35,498,829	(611,946)	3,057,363	34,046,312
Total	\$ 85,788,599	\$ (340,932)	\$ 3,580,873	\$ 84,083,586

Long-term Debt

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

	Balance July 1, 2015	Adjustments/ Additions	Deductions	Balance June 30, 2016
Governmental activities				
Loans payable	\$ 104,963	\$ -	\$ 8,660	\$ 96,303
Revenue bonds	3,021,000	-	97,000	2,924,000
Special assessment debt	58,000	-	22,000	36,000
Governmental activities Long-term debt	3,183,963	-	127,660	3,056,303
Business-type activities				
Loans payable	4,179,037	-	196,784	3,982,253
Capital leases payable	83,879	-	55,393	28,486
Revenue bonds	7,000,000	-	7,000,000	-
Special assessment debt	840,000	-	30,000	810,000
Business-type activities Long-term debt	12,102,916	-	7,282,177	4,820,739
Total	\$ 15,286,879	\$ -	\$ 7,409,837	\$ 7,877,042

At the end of the current fiscal year, the City had total debt outstanding of \$7,877,042. Of this amount, \$4,078,556 comprises debt backed by the full faith and credit of the government and \$846,000 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 \$28,486. Additional information on long-term liabilities can be found on pages **50-55** in the notes to the basic financial statements.

The City's total debt decreased by \$7,409,837 (48.5 percent) during the current fiscal year. The decrease is due to the payment of \$7,000,000 towards extinguishing the revenue bonds and the remainder was due to scheduled annual debt service payments.

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, 2016, 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 economic growth. Average growth is expected for the local economy for the 2016-2017 fiscal year.

The City anticipates the General fund to decrease for the fiscal year ending 2017 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. All of these factors were considered in preparing the City's budget for the 2016-17 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, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 10,207,647	\$ 14,476,800	\$ 24,684,447
Receivables:			
Accounts, net	95,604	2,687,509	2,783,113
Interest	4,900	15,821	20,721
Taxes	394,827	3,616	398,443
Intergovernmental	229,128	429,650	658,778
Assessments	2,961,000	617,159	3,578,159
Deposits	4,428	768,405	772,833
Prepaid costs	-	1,205,529	1,205,529
Inventory	-	375,845	375,845
Internal balances	2,148	(2,148)	-
Restricted cash and investments	809,530	58,984	868,514
Loans receivable	4,940,334	-	4,940,334
Other postemployment benefits asset	-	1,821,527	1,821,527
Land held for resale	594,927	-	594,927
Capital assets:			
Non-depreciable	4,372,940	3,189,848	7,562,788
Depreciable, net	45,664,334	30,856,464	76,520,798
Total capital assets	<u>50,037,274</u>	<u>34,046,312</u>	<u>84,083,586</u>
Total Assets	<u>70,281,747</u>	<u>56,505,009</u>	<u>126,786,756</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	<u>300,255</u>	<u>509,499</u>	<u>809,754</u>
Total Deferred Outflows of Resources	<u>300,255</u>	<u>509,499</u>	<u>809,754</u>
LIABILITIES			
Accounts payable	346,356	655,972	1,002,328
Salaries and benefits payable	54,163	92,705	146,868
Due to other governments	490,617	642,377	1,132,994
Deposits payable	564,072	2,600	566,672
Interest payable	47,055	64,085	111,140
Unearned revenues	72,589	-	72,589
Net pension liability	1,807,761	2,991,090	4,798,851
Other postemployment benefits liability	501,087	-	501,087
Long-term liabilities:			
Due within one year	243,346	491,523	734,869
Due in more than one year	<u>2,944,651</u>	<u>4,558,886</u>	<u>7,503,537</u>
Total Liabilities	<u>7,071,697</u>	<u>9,499,238</u>	<u>16,570,935</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	<u>259,087</u>	<u>411,802</u>	<u>670,889</u>
Total Deferred Inflows of Resources	<u>259,087</u>	<u>411,802</u>	<u>670,889</u>

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

Continued (Page 1 of 2)

CITY OF SHASTA LAKE
Statement of Net Position
June 30, 2016

NET POSITION	Governmental Activities	Business-Type Activities	Total
Net investment in capital assets	46,980,971	29,225,573	76,206,544
Restricted for:			
General government	1,476,446	-	1,476,446
Public safety	240	-	240
Public ways and facilities	2,239,428	-	2,239,428
Community development	5,886,554	-	5,886,554
Debt service	660,046	63,124	723,170
Unrestricted	6,007,533	17,814,771	23,822,304
Total Net Position	\$ 63,251,218	\$ 47,103,468	\$110,354,686

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

Continued (Page 2 of 2)

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CITY OF SHASTA LAKE
Statement of Activities
For the Year Ended June 30, 2016

<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	\$ 2,056,476	\$ 2,941,279	\$ 80,160	\$ -
Public safety	2,889,166	96,573	100,000	-
Public ways and facilities	1,963,018	361,363	904,908	254,623
Planning	547,822	-	-	-
Culture and recreation	295,177	1,505	-	-
Community development	240,983	-	486,729	-
Interest on long-term debt	147,472	-	-	-
Total Governmental Activities	8,140,114	3,400,720	1,571,797	254,623
Business-type activities:				
Water	2,952,972	2,475,734	-	-
Electric	18,664,440	20,153,868	-	-
Wastewater	2,448,732	2,790,033	-	-
Industrial park	83,632	-	-	49,265
Total Business-Type Activities	24,149,776	25,419,635	-	49,265
Total	\$ 32,289,890	\$ 28,820,355	\$ 1,571,797	\$ 303,888

General revenues:

Taxes:

 Property taxes

 Sales and use taxes

 Transient occupancy taxes

 Franchise taxes

 Other taxes

Unrestricted grants and contributions

Interest and investment earnings

Miscellaneous

Special item - loss on sale of property

Transfers

Total General Revenues, Special items and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

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

Governmental Activities	Business- Type Activities	Total
\$ 964,963	\$ -	\$ 964,963
(2,692,593)	-	(2,692,593)
(442,124)	-	(442,124)
(547,822)	-	(547,822)
(293,672)	-	(293,672)
245,746	-	245,746
(147,472)	-	(147,472)
<u>(2,912,974)</u>	<u>-</u>	<u>(2,912,974)</u>
-	(477,238)	(477,238)
-	1,489,428	1,489,428
-	341,301	341,301
-	(34,367)	(34,367)
<u>-</u>	<u>1,319,124</u>	<u>1,319,124</u>
<u>(2,912,974)</u>	<u>1,319,124</u>	<u>(1,593,850)</u>
1,015,622	-	1,015,622
823,755	-	823,755
7,691	-	7,691
204,991	-	204,991
442,561	-	442,561
784,970	-	784,970
95,846	235,266	331,112
21,726	192,679	214,405
-	(226,009)	(226,009)
<u>1,717,691</u>	<u>(1,717,691)</u>	<u>-</u>
<u>5,114,853</u>	<u>(1,515,755)</u>	<u>3,599,098</u>
2,201,879	(196,631)	2,005,248
<u>61,049,339</u>	<u>47,300,099</u>	<u>108,349,438</u>
<u>\$ 63,251,218</u>	<u>\$ 47,103,468</u>	<u>\$ 110,354,686</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, 2016

	<u>General</u>	<u>HOME</u>	<u>Wastewater Treatment Debt</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
ASSETS					
Cash and investments	\$ 6,344,264	\$ 209,260	\$ 239,972	\$ 3,414,151	\$ 10,207,647
Receivables:					
Accounts, net	95,604	-	-	-	95,604
Interest	4,554	-	346	-	4,900
Taxes	297,880	-	66,581	30,366	394,827
Intergovernmental	-	-	-	229,128	229,128
Special assessments	-	-	2,925,000	36,000	2,961,000
Deposits	4,428	-	-	-	4,428
Due from other funds	254,000	-	-	-	254,000
Restricted cash and investments	552,540	-	256,990	-	809,530
Land held for resale	-	-	-	594,927	594,927
Loans receivable	-	4,231,688	-	708,646	4,940,334
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 7,553,270</u>	<u>\$ 4,440,948</u>	<u>\$ 3,488,889</u>	<u>\$ 5,013,218</u>	<u>\$ 20,496,325</u>
LIABILITIES					
Accounts payable	\$ 292,255	\$ -	\$ 2,347	\$ 51,754	\$ 346,356
Salaries and benefits payable	54,163	-	-	-	54,163
Due to other governments	459,410	-	-	31,207	490,617
Deposits payable	556,197	-	-	7,875	564,072
Due to other funds	-	-	-	254,000	254,000
Advances from other funds	583,427	-	-	-	583,427
Unearned revenues	17,313	-	-	55,276	72,589
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,962,765</u>	<u>-</u>	<u>2,347</u>	<u>400,112</u>	<u>2,365,224</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	2,925,000	36,000	2,961,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>2,925,000</u>	<u>36,000</u>	<u>2,961,000</u>
FUND BALANCES					
Restricted	596,191	4,440,948	561,542	4,583,945	10,182,626
Assigned	4,693,366	-	-	-	4,693,366
Unassigned	300,948	-	-	(6,839)	294,109
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>5,590,505</u>	<u>4,440,948</u>	<u>561,542</u>	<u>4,577,106</u>	<u>15,170,101</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,553,270</u>	<u>\$ 4,440,948</u>	<u>\$ 3,488,889</u>	<u>\$ 5,013,218</u>	<u>\$ 20,496,325</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, 2016

Total Fund Balance - Total Governmental Funds	\$ 15,170,101
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.	50,037,274
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds.	2,961,000
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.	(47,055)
Deferred outflows of resources related to pensions are not reported in the governmental funds	300,255
Deferred inflows of resources related to pensions are not reported in the governmental funds	(259,087)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Loans payable	(96,303)
Bonds payable	(2,924,000)
Special assessment debt	(36,000)
Compensated absences	(131,694)
Net pension liability	(1,807,761)
Other postemployment benefits liability	(501,087)
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.	585,575
Net Position of Governmental Activities	\$ 63,251,218

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, 2016

	General	HOME	Wastewater Treatment Debt	Other Governmental Funds	Totals
REVENUES					
Taxes and assessments	\$ 2,475,254	\$ -	\$ 250,976	\$ 385,047	\$ 3,111,277
Licenses and permits	108,239	-	-	-	108,239
Fines and forfeitures	8,277	-	-	-	8,277
Use of money and property	81,624	141	1,653	12,428	95,846
Intergovernmental	872,576	-	-	1,217,937	2,090,513
Charges for services	3,187,583	-	-	214,621	3,402,204
Other revenues	21,726	-	-	-	21,726
Total Revenues	6,755,279	141	252,629	1,830,033	8,838,082
EXPENDITURES					
Current:					
General government	2,181,544	-	-	10,740	2,192,284
Public safety	2,795,330	-	-	100,000	2,895,330
Public ways and facilities	45,503	-	-	678,760	724,263
Planning	625,659	-	-	-	625,659
Culture and recreation	239,766	-	-	-	239,766
Community development	-	48,179	9,452	178,793	236,424
Debt service:					
Principal	-	-	97,000	30,660	127,660
Interest	10,839	-	133,752	4,929	149,520
Capital outlay	303,863	-	-	879,556	1,183,419
Total Expenditures	6,202,504	48,179	240,204	1,883,438	8,374,325
Excess of Revenues Over (Under) Expenditures	552,775	(48,038)	12,425	(53,405)	463,757
OTHER FINANCING SOURCES (USES)					
Transfers in	2,046,748	-	-	450	2,047,198
Transfers out	-	-	-	(210,900)	(210,900)
Total Other Financing Sources (Uses)	2,046,748	-	-	(210,450)	1,836,298
Net Change in Fund Balances	2,599,523	(48,038)	12,425	(263,855)	2,300,055
Fund Balances - Beginning	2,990,982	4,488,986	549,117	4,840,961	12,870,046
Fund Balances - Ending	\$ 5,590,505	\$ 4,440,948	\$ 561,542	\$ 4,577,106	\$ 15,170,101

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, 2016

Net Change in Fund Balances - Total Governmental Funds \$ 2,300,055

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	1,183,419
Less current year depreciation	(1,314,276)
Capital asset transfers	(118,607)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the net cost of the capital assets disposed. Proceeds from the sale of capital assets totalled \$0.

(3,032)

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	127,660
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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	(213,780)
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Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.

Deferred outflows of resources related to pensions	94,725
Deferred inflows of resources related to pensions	287,236

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	(446)
Change in other postemployment benefits liability	(13,384)
Change in net pension liability	(146,734)
Change in accrued interest on long-term debt	2,048

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.

16,995

Change in Net Position of Governmental Activities \$ 2,201,879

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, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			Nonmajor
	Water	Electric	Wastewater	Industrial Park
ASSETS				
Current Assets:				
Cash and investments	\$ 2,040,260	\$ 8,296,420	\$ 3,313,441	\$ 38,283
Receivables:				
Accounts, net	277,432	2,071,850	337,890	337
Interest	4,140	8,950	2,731	-
Taxes	-	-	-	3,616
Assessments	-	-	-	617,159
Intergovernmental	-	429,650	-	-
Deposits	-	768,405	-	-
Prepaid costs	6,885	1,198,644	-	-
Inventory	4,108	371,737	-	-
Total Current Assets	2,332,825	13,145,656	3,654,062	659,395
Noncurrent Assets:				
Restricted cash and investments	58,984	-	-	-
Advances to other funds	-	1,115,524	-	-
Other postemployment benefits asset	328,825	798,526	20,744	-
Capital assets:				
Non-depreciable	528,460	173,477	1,095,215	1,392,696
Depreciable, net	10,857,898	10,195,664	8,643,773	-
Total Noncurrent Assets	11,774,167	12,283,191	9,759,732	1,392,696
Total Assets	14,106,992	25,428,847	13,413,794	2,052,091
DEFERRED OUTFLOWS OF RESOURCES				
Pension adjustments	46,086	266,461	46,366	-
Total Deferred Outflows of Resources	46,086	266,461	46,366	-

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

<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 13,688,404	\$ 788,396
2,687,509	-
15,821	-
3,616	-
617,159	-
429,650	-
768,405	-
1,205,529	-
375,845	-
<u>19,791,938</u>	<u>788,396</u>
58,984	-
1,115,524	-
1,148,095	673,432
3,189,848	-
<u>29,697,335</u>	<u>1,159,129</u>
<u>35,209,786</u>	<u>1,832,561</u>
<u>55,001,724</u>	<u>2,620,957</u>
<u>358,913</u>	<u>150,586</u>
<u>358,913</u>	<u>150,586</u>

CITY OF SHASTA LAKE
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			Nonmajor
	Water	Electric	Wastewater	Industrial Park
LIABILITIES				
Current Liabilities:				
Accounts payable	71,973	414,554	147,823	2,019
Salaries and benefits payable	8,555	46,675	8,976	-
Due to other governments	200,084	442,293	-	-
Deposits payable	2,600	-	-	-
Interest payable	49,910	-	-	14,175
Compensated absences payable	12,139	110,939	28,666	-
Loans payable	203,367	-	-	-
Bonds payable	-	-	-	30,000
Capital lease payable	-	-	-	-
Total Current Liabilities	548,628	1,014,461	185,465	46,194
Noncurrent Liabilities:				
Advances from other funds	96,129	-	96,794	-
Loans payable	3,778,886	-	-	-
Bonds payable	-	-	-	780,000
Net pension liability	230,989	1,559,137	275,109	-
Total Noncurrent Liabilities	4,106,004	1,559,137	371,903	780,000
Total Liabilities	4,654,632	2,573,598	557,368	826,194
DEFERRED INFLOWS OF RESOURCES				
Pension adjustments	22,848	213,486	38,536	-
Total Deferred Inflows of Resources	22,848	213,486	38,536	-
NET POSITION				
Net investment in capital assets	7,404,105	10,369,141	9,738,988	582,696
Restricted for debt service	63,124	-	-	-
Unrestricted	2,008,369	12,539,083	3,125,268	643,201
Total Net Position	\$ 9,475,598	\$ 22,908,224	\$ 12,864,256	\$ 1,225,897

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.

<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
636,369	19,603
64,206	28,499
642,377	-
2,600	-
64,085	-
151,744	77,926
203,367	-
30,000	-
-	28,486
<u>1,794,748</u>	<u>154,514</u>
192,923	339,174
3,778,886	-
780,000	-
<u>2,065,235</u>	<u>925,855</u>
<u>6,817,044</u>	<u>1,265,029</u>
<u>8,611,792</u>	<u>1,419,543</u>
<u>274,870</u>	<u>136,932</u>
<u>274,870</u>	<u>136,932</u>
28,094,930	1,130,643
63,124	-
<u>18,315,921</u>	<u>84,425</u>
46,473,975	<u>\$ 1,215,068</u>
<u>629,493</u>	
<u>\$ 47,103,468</u>	

CITY OF SHASTA LAKE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			Nonmajor
	Water	Electric	Wastewater	Industrial Park
OPERATING REVENUES				
Charges for services	\$ 2,475,734	\$ 20,153,868	\$ 2,790,033	\$ -
Other revenue	3,689	176,382	560	12,049
Total Operating Revenues	<u>2,479,423</u>	<u>20,330,250</u>	<u>2,790,593</u>	<u>12,049</u>
OPERATING EXPENSES				
Salaries and benefits	850,092	1,545,791	816,375	-
Administration	487,733	2,782,181	460,284	8,240
Power and water	630,809	12,899,601	214,303	20,260
Insurance	24,747	86,911	33,778	1,418
Supplies	63,896	55,622	40,997	-
Repair and maintenance	47,883	327,165	341,648	1,584
Professional services	233,953	53,246	9,636	8,270
Depreciation	484,164	771,180	549,416	-
Other expense	5,940	27,181	11,360	1,072
Total Operating Expenses	<u>2,829,217</u>	<u>18,548,878</u>	<u>2,477,797</u>	<u>40,844</u>
Operating Income (Loss)	<u>(349,794)</u>	<u>1,781,372</u>	<u>312,796</u>	<u>(28,795)</u>
NON-OPERATING REVENUES (EXPENSES)				
Assessment revenue	-	-	-	49,265
Gain (loss) on sale of capital assets	(29,357)	(9,946)	(5,688)	(226,009)
Contribution to Governmental Activities	-	(99,452)	-	-
Interest income	27,897	158,914	48,455	-
Interest expense	(137,566)	(87,500)	(1,798)	(42,788)
Total Non-Operating Revenues (Expenses)	<u>(139,026)</u>	<u>(37,984)</u>	<u>40,969</u>	<u>(219,532)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(488,820)</u>	<u>1,743,388</u>	<u>353,765</u>	<u>(248,327)</u>
Capital contributions	218,059	-	-	-
Transfers in	85,000	-	125,000	-
Transfers out	(450,000)	(700,000)	(450,000)	(446,298)
Change in Net Position	<u>(635,761)</u>	<u>1,043,388</u>	<u>28,765</u>	<u>(694,625)</u>
Total Net Position - Beginning	<u>10,111,359</u>	<u>21,864,836</u>	<u>12,835,491</u>	<u>1,920,522</u>
Total Net Position - Ending	<u>\$ 9,475,598</u>	<u>\$ 22,908,224</u>	<u>\$ 12,864,256</u>	<u>\$ 1,225,897</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
\$ 25,419,635	\$ 2,140,090
192,680	170
25,612,315	2,140,260
3,212,258	1,092,120
3,738,438	487,349
13,764,973	-
146,854	16,842
160,515	19,780
718,280	147,807
305,105	40,790
1,804,760	242,903
45,553	-
23,896,736	2,047,591
1,715,579	92,669
49,265	-
(271,000)	(5,564)
(99,452)	-
235,266	-
(269,652)	(8,508)
(355,573)	(14,072)
1,360,006	78,597
218,059	-
210,000	-
(2,046,298)	-
(258,233)	78,597
	1,136,471
	\$ 1,215,068
61,602	
\$ (196,631)	

CITY OF SHASTA LAKE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			Nonmajor Industrial Park
	Water	Electric	Wastewater	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,694,067	\$ 20,363,624	\$ 2,788,483	\$ 12,282
Receipts from interfund services	-	-	-	-
Payments to suppliers	(361,380)	(14,341,002)	(690,279)	(40,963)
Payments to interfund services	(933,594)	(2,227,070)	(390,678)	(8,240)
Payments to employees	(882,005)	(1,725,169)	(833,087)	-
Net Cash Provided (Used) by Operating Activities	517,088	2,070,383	874,439	(36,921)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Grants, assessments, and other receipts	-	-	-	70,670
Transfers from other funds	85,000	-	125,000	-
Transfers to other funds	(450,000)	(700,000)	(450,000)	(446,298)
Interfund loans repaid	(10,980)	-	(11,057)	-
Interfund loan repayments received	-	127,420	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(375,980)	(572,580)	(336,057)	(375,628)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Contribution of capital assets	-	(99,452)	-	-
Acquisition of capital assets	(180,612)	(292,811)	(629,184)	-
Disposal of capital assets	-	-	-	506,967
Principal paid on debt	(196,784)	(7,000,000)	-	(30,000)
Interest paid on debt	(139,943)	(175,000)	(1,798)	(43,313)
Net Cash Provided (Used) by Capital and Related Financing Activities	(517,339)	(7,567,263)	(630,982)	433,654
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	26,904	163,355	46,471	-
Net Cash Provided (Used) by Investing Activities	26,904	163,355	46,471	-
Net Increase (Decrease) in Cash and Cash Equivalents	(349,327)	(5,906,105)	(46,129)	21,105
Balances - Beginning	2,448,571	14,202,525	3,359,570	17,178
Balances - Ending	\$ 2,099,244	\$ 8,296,420	\$ 3,313,441	\$ 38,283

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

Totals	Governmental Activities Internal Service Funds
\$ 25,858,456	\$ 1,608
-	2,140,090
(15,433,624)	(377,063)
(3,559,582)	(343,470)
(3,440,261)	(1,175,305)
3,424,989	245,860
70,670	-
210,000	-
(2,046,298)	-
(22,037)	(38,743)
127,420	-
(1,660,245)	(38,743)
(99,452)	-
(1,102,607)	(58,012)
506,967	-
(7,226,784)	(55,393)
(360,054)	(8,508)
(8,281,930)	(121,913)
236,730	-
236,730	-
(6,280,456)	85,204
20,027,844	703,192
\$ 13,747,388	\$ 788,396

CITY OF SHASTA LAKE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Major Funds			Nonmajor
	Water	Electric	Wastewater	Industrial Park
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (349,794)	\$ 1,781,372	\$ 312,796	\$ (28,795)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	484,164	771,180	549,416	-
Decrease (increase) in:				
Accounts receivable	139,258	207,589	(2,110)	233
Intergovernmental receivable	-	(429,650)	-	-
Deposits	-	255,435	-	-
Prepaid costs	75,386	445,937	-	-
Inventory	-	59,808	-	-
Other postemployment benefits asset	(911)	3,002	10,631	-
Pension adjustment - deferred outflows	(21,995)	(96,959)	(16,356)	-
Increase (decrease) in:				
Accounts payable	5,845	(105,430)	65,069	1,191
Salaries and benefits payable	3,231	6,264	1,833	-
Due to other governments	191,542	(736,480)	(34,020)	(8,351)
Deposits payable	2,600	-	-	(1,199)
Compensated absences	1,718	19,960	7,135	-
Net pension liability	28,774	136,295	23,203	-
Pension adjustment - deferred inflows	(42,730)	(247,940)	(43,158)	-
Net Cash Provided (Used) by Operating Activities	\$ 517,088	\$ 2,070,383	\$ 874,439	\$ (36,921)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contribution of capital assets	\$ 218,059	\$ -	\$ -	\$ -

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

Totals	Governmental Activities Internal Service Funds
\$ 1,715,579	\$ 92,669
1,804,760	242,903
344,970	1,438
(429,650)	-
255,435	-
521,323	-
59,808	-
12,722	10,958
(135,310)	(48,748)
(33,325)	(5,163)
11,328	5,033
(587,309)	(2,802)
1,401	-
28,813	18,858
188,272	71,009
(333,828)	(140,295)
\$ 3,424,989	\$ 245,860

\$ 218,059 \$ -

CITY OF SHASTA LAKE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Current Assets:		
Cash and investments	\$ 16,158	\$ 301,603
Receivables:		
Taxes	-	975
Total Current Assets	16,158	302,578
Noncurrent Assets:		
Land held for resale	931,356	-
Total Noncurrent Assets	931,356	-
Total Assets	947,514	302,578
LIABILITIES		
Current Liabilities:		
Accounts payable	1,161	7,363
Interest payable	11,598	-
Loans payable	270,000	-
Agency obligations	-	295,215
Total Current Liabilities	282,759	302,578
Noncurrent Liabilities:		
Loan payable	3,365,000	-
Total Noncurrent Liabilities	3,365,000	-
Total Liabilities	3,647,759	302,578
NET POSITION		
Net position held in trust	(2,700,245)	-
Total Net Position	\$ (2,700,245)	\$ -

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, 2016

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
Taxes and assessments	\$ 236,809
Interest income	678
Total Additions	<u>237,487</u>
DEDUCTIONS	
Administrative expenses	150,161
Interest expense	141,388
Total Deductions	<u>291,549</u>
Net Change in Net Position	(54,062)
Net Position - Beginning	<u>(2,646,183)</u>
Net Position - Ending	<u><u>\$ (2,700,245)</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, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The City is financially accountable for this entity. Financial accountability is primarily demonstrated by the City Council acting as the governing board for the PFA and its ability to impose its will. The financing activity of the PFA has been included in the City's financial statements in the major debt service fund Wastewater Treatment Debt.

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. The City is financially accountable for this entity. Financial accountability is primarily demonstrated by the City Council acting as the governing board for the Authority and its ability to impose its will. As an integral part of the City, the Authority is reported as a nonmajor special revenue fund of the City.

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, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Joint Agencies

The City is a participant in Small Cities Organized Risk Effort (SCORE), the purpose of which is for member cities to share in the administrative costs of providing liability and workers' compensation insurance. The SCORE is composed of 19 member cities and is governed by a board of directors appointed by the member cities. Complete financial information can be obtained from the SCORE offices in San Francisco, California. 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.

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, 2016

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 revenues and expenditures associated with the HOME grant program. Funding comes primarily from State and Federal 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, 2016

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 of capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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 and Cash Equivalents

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.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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.

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

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

G. Restricted Cash and Investments

Restricted assets in the governmental funds represent cash and investments held in the General fund for customer utility deposits of \$552,540 and in the Wastewater Debt fund for debt service of \$256,990. Restricted assets in the proprietary funds represent cash and investments held in the Water fund for debt service of \$58,984.

H. 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, 2016, the allowance for doubtful accounts was \$452.

Receivables for business-type activities consist mainly of accounts, user fees, 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, 2016, the allowance for doubtful accounts was \$3,750.

I. Other Assets

Deposits

The City has recorded deposits in several funds. The General fund made payments during the year to various other agencies and the Electric fund of the City made payments during the year to Western Area Power Administration for future construction projects.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Other Assets (Continued)

Inventory

Governmental fund 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.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2016, are recorded as prepaid costs under both the accrual and modified accrual basis of accounting. The cost of prepaid items is recorded as expense when consumed rather than when purchased.

J. Loans Receivable

A total of \$4,940,334 was recorded as loans receivable at June 30, 2016. These represent low interest notes and related accrued interest to finance multi-family and single family construction and rehabilitation projects and homebuyer assistance for low income families. Loan terms are 15 to 55 years with an interest rate at 0 to 5 percent. The primary source of funding for these loans comes from grants from the federal Community Development Block Grant (CDBG) program and Home Investment Partnerships (HOME) program and the state CALHome program. The CDBG, HOME and CalHome grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements.

K. 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.

L. 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 acquisition value at the date of donation.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

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.

M. 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.

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.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Interfund Transactions (Continued)

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.

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 revenue.

P. Due to Other Governments

Accrued liabilities payable to other governmental entities are recorded in both the government-wide and fund financial statements.

Q. 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 non-vesting 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.

All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. In governmental funds, the cost of vacation and sick leave benefits is recognized when payments are made to employees.

R. Pensions

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. 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. The City has one item that qualifies for reporting in this category. This item relates to the outflows from changes in the net pension liability and is reportable on the statement of net position.

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

T. 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.

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

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

Statement No. 72, Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for determining a fair value measurement and for applying fair value to certain investments and disclosures related to all fair value measurements.

Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement establishes requirements for defined benefit pensions and defined contribution pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions.

Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction is not specified within a source of authoritative GAAP.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Statement No. 79, Certain External Investment Pools and Pool Participants. This statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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 \$6,839, which is expected to be eliminated in future years through grant revenues.

The following internal service funds had a deficit net position:

- The Public Works fund had a net position deficit of \$86,009, which is expected to be eliminated in future years through internal service reimbursements.

B. 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, 2016, does not expect to incur a liability.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2016, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 11,017,177
Business-Type activities	14,535,784
Private Purpose trust fund	16,158
Agency fund	<u>301,603</u>
Total Cash and Investments	<u>\$ 25,870,722</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

A. Financial Statement Presentation (Continued)

As of June 30, 2016, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 2,100
Deposits (less outstanding checks)	<u>2,017,707</u>
Total Cash	<u>2,019,807</u>
Investments:	
In City's pool	23,577,652
Investments with fiscal agents	<u>273,263</u>
Total Investments	<u>23,850,915</u>
Total Cash and Investments	<u><u>\$ 25,870,722</u></u>

B. Cash

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was \$2,017,707 and the bank balance was \$3,165,662. 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 \$2,100.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, 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.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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

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

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

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

At June 30, 2016, the City had the following recurring fair value measurements.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Federal Agencies	\$ 8,419,749	\$ 8,419,749	\$ -	\$ -
U.S. Treasuries	4,520,064	4,520,064	-	-
Corporate Notes	3,691,796	3,691,796	-	-
Asset-Backed Securities	1,381,963	1,381,963	-	-
Certificates of Deposit	125,250	-	-	125,250
Government Asset-Backed Securities	<u>44</u>	<u>44</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	<u>18,138,866</u>	<u>\$ 18,013,616</u>	<u>\$ -</u>	<u>\$ 125,250</u>
Investments in External Investment Pools				
Shasta County Investment Pool	256,990			
Local Agency Investment Fund (LAIF)	<u>5,455,059</u>			
Total Investments	<u>\$ 23,850,915</u>			

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2016, the City had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
Federal Agencies	0.500-1.875%	\$ 2,069,426	\$ 6,350,323	\$ 8,419,749	1.89
U.S. Treasuries	0.625-3.75%	1,126,394	3,120,407	4,246,801	1.88
Asset-Backed Securities	0.67-1.30%	-	1,381,963	1,381,963	2.19
Government Asset-Backed Securities	9.5%	-	44	44	4.14
Corporate Notes	1.000-2.375%	296,662	3,395,134	3,691,796	1.75
Certificates of Deposit	1.87-1.92%	125,250	-	125,250	0.16
Shasta County Investment Pool	Variable	256,990	-	256,990	-
Local Agency Investment Fund (LAIF)	Variable	<u>5,455,059</u>	<u>-</u>	<u>5,455,059</u>	<u>-</u>
Total Pooled Investments		<u>9,329,781</u>	<u>14,247,871</u>	<u>23,577,652</u>	<u>1.42</u>
Investments Held by Fiscal Agents					
U.S. Treasuries		<u>-</u>	<u>273,263</u>	<u>273,263</u>	<u>1.13</u>
Total Investments Held by Fiscal Agents		<u>-</u>	<u>273,263</u>	<u>273,263</u>	<u>1.13</u>
Total Investments		<u>\$ 9,329,781</u>	<u>\$ 14,521,134</u>	<u>\$ 23,850,915</u>	<u>1.41</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.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Investment Type	Minimum Legal Rating	Standard and Poor's Rating	Moody's Rating	% of Portfolio
Federal National Mortgage Association	N/A	AA+	Aaa	10.73%
Federal Farm Credit Bank	N/A	AA+	AAA	3.54%
Federal Home Loan Bank	N/A	AA+	AAA	10.55%
Federal Home Loan Mortgage Corporation	N/A	AA+	AAA	10.49%
U.S. Treasuries	N/A	AA+	Aaa	18.95%
Asset-Backed Securities	A	AAA	AAA	0.56%
Asset-Backed Securities	A	AAA	Unrated	0.73%
Asset-Backed Securities	A	Unrated	AAA	1.50%
Asset-Backed Securities	A	Unrated	Unrated	3.00%
Government Assistance	N/A	Unrated	Unrated	0.00%
Certificates of Deposit	N/A	Unrated	Unrated	0.53%
Corporate Notes	A	A1	A+	5.53%
Corporate Notes	A	A1	AA-	0.93%
Corporate Notes	A	A1	AA+	0.59%
Corporate Notes	A	A2	A	3.40%
Corporate Notes	A	A2	A+	0.91%
Corporate Notes	A	AA1	AA	0.95%
Corporate Notes	A	AA1	AA+	0.90%
Corporate Notes	A	AA2	AA	0.34%
Corporate Notes	A	AA3	AA-	1.48%
Corporate Notes	A	AAA	AAA	0.44%
Shasta County Investment Pool	N/A	Unrated	Unrated	1.08%
Local Agency Investment Fund (LAIF)	N/A	Unrated	Unrated	22.87%
Total				<u>100.00%</u>

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) at June 30, 2016, that represent 5 percent or more of total City investments.

Investment Type	Amount Invested	Percentage of Investments
Federal National Mortgage Association	\$ 2,558,293	10.73
Federal Home Loan Bank	2,516,475	10.55
Federal Home Loan Mortgage Corporation	2,500,784	10.49
Corporate Notes	1,319,365	5.53

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

D. Investment in External Investment Pools

Shasta County Pooled Investment Fund - The Shasta County Pooled Investment Fund is a pooled investment fund program governed by the County which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. Investments in the Nevada County Pooled Investment Fund are regarded as highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Shasta's financial statements may be obtained by contacting the County of Shasta Auditor-Controller's office at 1450 Court Street, Suite 238, Redding, CA 96001.

The City of Shasta Lake maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2016, the City's investment in LAIF valued at amortized cost was \$5,455,059 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$75.4 billion. Of that amount, 97.19 percent is invested in non-derivative financial products and 2.8 percent in structured notes and asset-backed securities.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016, was as follows:

Governmental Activities

	Balance July 1, 2015	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2016
Capital Assets, Not Being Depreciated:					
Land, easements, and right of way	\$ 3,700,494	\$ -	\$ -	\$ -	\$ 3,700,494
Construction in progress	<u>31,923</u>	<u>1,164,033</u>	<u>(3,032)</u>	<u>(520,478)</u>	<u>672,446</u>
Total Capital Assets, Not Being Depreciated	<u>3,732,417</u>	<u>1,164,033</u>	<u>(3,032)</u>	<u>(520,478)</u>	<u>4,372,940</u>
Capital Assets, Being Depreciated:					
Infrastructure and land improvements	51,735,018	-	-	-	51,735,018
Buildings and improvements	8,791,432	-	-	401,871	9,193,303
Machinery and equipment	607,354	19,386	-	-	626,740
Vehicles	<u>34,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,571</u>
Total Capital Assets, Being Depreciated	<u>61,168,375</u>	<u>19,386</u>	<u>-</u>	<u>401,871</u>	<u>61,589,632</u>
Less Accumulated Depreciation For:					
Infrastructure and land improvements	(12,957,239)	(1,020,136)	-	-	(13,977,375)
Buildings and improvements	(1,185,433)	(271,866)	-	-	(1,457,299)
Machinery and equipment	(433,779)	(22,274)	-	-	(456,053)
Vehicles	<u>(34,571)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,571)</u>
Total Accumulated Depreciation	<u>(14,611,022)</u>	<u>(1,314,276)</u>	<u>-</u>	<u>-</u>	<u>(15,925,298)</u>
Total Capital Assets, Being Depreciated, Net	<u>46,557,353</u>	<u>(1,294,890)</u>	<u>-</u>	<u>401,871</u>	<u>45,664,334</u>
Governmental Activities Capital Assets, Net	<u>\$ 50,289,770</u>	<u>(\$ 130,857)</u>	<u>(\$ 3,032)</u>	<u>(\$ 118,607)</u>	<u>\$ 50,037,274</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 4: CAPITAL ASSETS (CONTINUED)

Business-Type Activities

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	Balance <u>June 30, 2016</u>
Capital Assets, Not Being Depreciated:					
Land	\$ 2,122,396	\$ -	(\$ 285,020)	\$ -	\$ 1,837,376
Construction in progress	<u>754,846</u>	<u>679,752</u>	<u>(28,931)</u>	<u>(53,195)</u>	<u>1,352,472</u>
Total Capital Assets, Not Being Depreciated	<u>2,877,242</u>	<u>679,752</u>	<u>(313,951)</u>	<u>(53,195)</u>	<u>3,189,848</u>
Capital Assets, Being Depreciated:					
General and utility plant	67,030,031	426,326	(158,131)	171,802	67,470,028
Buildings and improvements	2,229,947	99,825	(1,012,073)	-	1,317,699
Equipment and vehicles	<u>3,778,295</u>	<u>58,012</u>	<u>(411,617)</u>	<u>-</u>	<u>3,424,690</u>
Total Capital Assets, Being Depreciated	<u>73,038,273</u>	<u>584,163</u>	<u>(1,581,821)</u>	<u>171,802</u>	<u>72,212,417</u>
Less Accumulated Depreciation For:					
General and utility plant	(36,687,353)	(1,767,542)	139,208	-	(38,315,687)
Buildings and improvements	(1,110,155)	(33,561)	557,571	-	(586,145)
Equipment and vehicles	<u>(2,619,178)</u>	<u>(246,560)</u>	<u>411,617</u>	<u>-</u>	<u>(2,454,121)</u>
Total Accumulated Depreciation	<u>(40,416,686)</u>	<u>(2,047,663)</u>	<u>1,108,396</u>	<u>-</u>	<u>(41,355,953)</u>
Total Capital Assets, Being Depreciated, Net	<u>32,621,587</u>	<u>(1,463,500)</u>	<u>(473,425)</u>	<u>171,802</u>	<u>30,856,464</u>
Business-Type Activities Capital Assets, Net	<u>\$ 35,498,829</u>	<u>(\$ 783,748)</u>	<u>(\$ 787,376)</u>	<u>\$ 118,607</u>	<u>\$ 34,046,312</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 13,609
Public safety	9,609
Public ways and facilities	1,219,202
Planning	3,942
Culture and recreation	<u>67,914</u>
Total Depreciation Expense – Governmental Functions	<u>\$ 1,314,276</u>

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

Water	\$ 484,164
Electric	771,180
Wastewater	549,416
Internal Service Funds	<u>242,903</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 2,047,663</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

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, 2016:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 254,000	\$ -
Nonmajor Governmental Funds	<u>-</u>	<u>254,000</u>
Total	<u>\$ 254,000</u>	<u>\$ 254,000</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, 2016:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$ -	\$ 583,427
Water	-	96,129
Electric	1,115,524	-
Wastewater	-	96,794
Internal Service Funds	<u>-</u>	<u>339,174</u>
Total	<u>\$ 1,115,524</u>	<u>\$ 1,115,524</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, 2016:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 2,046,748	\$ -
Nonmajor Governmental Funds	450	210,900
Water	85,000	450,000
Electric	-	700,000
Wastewater	125,000	450,000
Nonmajor Enterprise Funds	<u>-</u>	<u>446,298</u>
Total	<u>\$ 2,257,198</u>	<u>\$ 2,257,198</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 6: UNEARNED/UNAVAILABLE REVENUES

At June 30, 2016, components of unearned and unavailable revenues were as follows:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
General Fund			
Utility bill prepayments	\$ 17,313	\$ -	\$ 17,313
Wastewater Treatment Debt			
Special assessments receivable	-	2,925,000	2,925,000
Nonmajor Governmental Funds			
Unearned TDA revenues	55,276	-	55,276
Special assessments receivable	<u>-</u>	<u>36,000</u>	<u>36,000</u>
Total	<u>\$ 72,589</u>	<u>\$ 2,961,000</u>	<u>\$ 3,033,859</u>

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

<u>Type of Indebtedness</u>	<u>Balance</u> <u>July 1, 2015</u>	<u>Adjustments/</u> <u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities					
Loans	\$ 104,963	\$ -	(\$ 8,660)	\$ 96,303	\$ 8,652
Revenue Bonds	3,021,000	-	(97,000)	2,924,000	101,000
Special Assessment Bonds	58,000	-	(22,000)	36,000	2,000
Compensated Absences	<u>131,248</u>	<u>94,330</u>	<u>(93,884)</u>	<u>131,694</u>	<u>131,694</u>
Total Governmental Activities	<u>\$ 3,315,211</u>	<u>\$ 94,330</u>	<u>(\$ 221,544)</u>	<u>\$ 3,187,997</u>	<u>\$ 243,346</u>
Business-Type Activities					
Loans	\$ 4,179,037	\$ -	(\$ 196,784)	\$ 3,982,253	\$ 203,367
Revenue Bonds	7,000,000	-	(7,000,000)	-	-
Special Assessment Bonds	840,000	-	(30,000)	810,000	30,000
Capital Lease Obligation	83,879	-	(55,393)	28,486	28,486
Compensated Absences	<u>181,999</u>	<u>195,539</u>	<u>(147,868)</u>	<u>229,670</u>	<u>229,670</u>
Total Business-Type Activities	<u>\$ 12,284,915</u>	<u>\$ 195,539</u>	<u>(\$ 7,430,045)</u>	<u>\$ 5,050,409</u>	<u>\$ 491,523</u>

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

Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred, which is primarily the General fund. 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, 2016

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2016, 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 2.50% 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.

\$ 96,303

Total Loans

96,303

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.

2,600,000

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.

324,000

Total Revenue Bonds

2,924,000

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.

36,000

Total Special Assessment Bonds

36,000

Total Governmental Activities

\$ 3,056,303

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

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.

\$ 3,820,667

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.

161,586

Total Loans

3,982,253

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.

810,000

Total Special Assessment Bonds

810,000

Total Business-Type Activities

\$ 4,792,253

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

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
2017	\$ 8,652	\$ 2,312	\$ 10,964
2018	8,869	2,098	10,967
2019	9,090	1,873	10,963
2020	9,318	1,644	10,962
2021	9,550	1,405	10,955
2022-2026	<u>50,824</u>	<u>3,483</u>	<u>54,307</u>
Total	<u>\$ 96,303</u>	<u>\$ 12,815</u>	<u>\$ 109,118</u>

Year Ended June 30	Revenue Bonds		
	Principal	Interest	Total
2017	\$ 101,000	\$ 129,353	\$ 230,353
2018	105,000	124,718	229,718
2019	109,000	119,903	228,903
2020	114,000	114,885	228,885
2021	119,000	109,643	228,643
2022-2026	690,000	460,125	1,150,125
2027-2031	853,000	286,898	1,139,898
2032-2035	<u>833,000</u>	<u>77,355</u>	<u>910,355</u>
Total	<u>\$ 2,924,000</u>	<u>\$ 1,422,880</u>	<u>\$ 4,346,880</u>

Year Ended June 30	Special Assessment Debt		
	Principal	Interest	Total
2017	\$ 2,000	\$ 1,650	\$ 3,650
2018	2,000	1,550	3,550
2019	2,000	1,450	3,450
2020	2,000	1,350	3,350
2021	2,000	1,250	3,250
2022-2026	12,000	4,525	16,525
2027-2030	<u>14,000</u>	<u>775</u>	<u>14,775</u>
Total	<u>\$ 36,000</u>	<u>\$ 12,550</u>	<u>\$ 48,550</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Year Ended June 30	Loans		
	Principal	Interest	Total
2017	\$ 203,367	\$ 119,635	\$ 323,002
2018	210,111	112,806	322,917
2019	217,043	105,659	322,702
2020	165,888	99,043	264,931
2021	170,914	93,941	264,855
2022-2026	935,462	387,588	1,323,050
2027-2031	1,086,037	234,732	1,320,769
2032-2035	993,431	61,323	1,054,754
Total	<u>\$ 3,982,253</u>	<u>\$ 1,214,727</u>	<u>\$ 5,196,980</u>

Year Ended June 30	Special Assessment Bonds		
	Principal	Interest	Total
2017	\$ 30,000	\$ 41,738	\$ 71,738
2018	30,000	40,163	70,163
2019	35,000	38,457	73,457
2020	35,000	36,619	71,619
2021	40,000	34,650	74,650
2022-2026	220,000	140,439	360,439
2027-2031	285,000	74,683	359,683
2032	135,000	7,220	142,220
Total	<u>\$ 810,000</u>	<u>\$ 413,969</u>	<u>\$ 1,223,969</u>

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.

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2016
Governmental activities	3.76%	\$ 28,486
Total		<u>\$ 28,486</u>

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

	Governmental Activities
Cost of equipment	\$ 308,513
Less: accumulated depreciation	(154,257)
Net Value	<u>\$ 154,256</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 8: LEASES (CONTINUED)

Capital Leases (Continued)

As of June 30, 2016, capital lease annual amortization was as follows:

Year Ending June 30:	<u>Governmental Activities</u>
2017	\$ 28,810
Total Requirements	28,810
Less Interest	<u>(324)</u>
Present Value of Remaining Payments	<u>\$ 28,486</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.
- **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 \$10,325,838 of restricted net position, of which \$5,624,195 is restricted by enabling legislation.

Net Position Flow Assumption

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

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, 2016, fund balance for governmental funds is 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 only with the 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, 2016

NOTE 10: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2016, were distributed as follows:

	General	HOME	Wastewater Treatment Debt	Other Govern- mental Funds	Total
Restricted For:					
Customer deposits	\$ 541,578	\$ -	\$ -	\$ -	\$ 541,578
Information technology	54,613	-	-	-	54,613
HOME	-	4,440,948	-	-	4,440,948
Wastewater treatment debt	-	-	561,542	-	561,542
Law enforcement COPS	-	-	-	240	240
Water P&FCC charges	-	-	-	14,822	14,822
State trafficway	-	-	-	2,239,428	2,239,428
Electric P&FCC charges	-	-	-	242,202	242,202
CDBG housing rehabilitation	-	-	-	169,192	169,192
Wastewater P&FCC charges	-	-	-	492,430	492,430
Parks P&FCC charges	-	-	-	130,801	130,801
Former RDA low/mod housing	-	-	-	1,196,326	1,196,326
Rosamond debt service	-	-	-	8,222	8,222
Riddle road water bond	-	-	-	7,294	7,294
Davis-Grunsky Act loan	-	-	-	82,988	82,988
Subtotal	<u>596,191</u>	<u>4,440,948</u>	<u>561,542</u>	<u>4,583,945</u>	<u>10,182,626</u>
Assigned for:					
CalPERS debt	583,427	-	-	-	583,427
Accounts payable	274,745	-	-	-	274,745
Payroll	54,165	-	-	-	54,165
Due to other governments	459,410	-	-	-	459,410
City Hall construction	3,307,000	-	-	-	3,307,000
Developer deposits	<u>14,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,619</u>
Subtotal	<u>4,693,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,693,366</u>
Unassigned	<u>300,948</u>	<u>-</u>	<u>-</u>	<u>(6,839)</u>	<u>294,109</u>
Total	<u>\$ 5,590,505</u>	<u>\$ 4,440,948</u>	<u>\$ 561,542</u>	<u>\$ 4,577,106</u>	<u>\$ 15,170,101</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 are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

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: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the City added retirement tiers for the 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. The cumulative effect of these PEPRA changes will ultimately reduce the City's retirement costs.

Summary of Plans and Eligible Participants

Open for New Enrollment	
Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Closed to New Enrollment	
Miscellaneous - First Level	Miscellaneous members hired before January 1, 2013
Miscellaneous - Second Level	Miscellaneous members hired before January 1, 2013

Benefits Provided

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Each Plan's specific provisions and benefits in effect at June 30, 2016, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous - First Level	3.0% @ 60	50-60	2.0% to 3.0%
Miscellaneous - Second Level	2.0% @ 60	50-60	2.0% to 3.0%
Miscellaneous PEPRA	2.0% @ 62	50-62	2.0%

Contributions

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

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous - First Level	11.718%	8.000%	0.000%
Miscellaneous - Second Level	7.163%	7.000%	0.000%
Miscellaneous PEPRA	6.237%	6.250%	0.000%

For the year ended June 30, 2016, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 539,884	\$ -

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2016, the City reported net pension liabilities for its proportionate share of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 4,798,851
Total Net Pension Liability	<u>\$ 4,798,851</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: PENSION PLAN (CONTINUED)

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

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability as of June 30, 2014 and 2015 was as follows:

	<u>Proportion June 30, 2014</u>	<u>Proportion June 30, 2015</u>	<u>Change - Increase (Decrease)</u>
Miscellaneous	0.07059%	0.06991%	(0.0068)

For the year ended June 30, 2016, the City recognized pension expense of \$634,129. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 604,944	\$ -
Changes of assumptions	-	(321,347)
Differences between expected and actual experience	33,966	-
Differences between projected and actual earnings on pension plan investments	-	(161,095)
Difference between City contributions and proportionate share of contributions	-	(188,447)
Adjustment due to differences in proportions	<u>170,844</u>	<u>-</u>
Total	<u>\$ 809,754</u>	<u>(\$ 670,889)</u>

\$604,944 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2017	(\$ 240,106)
2018	(239,187)
2019	(214,309)
2020	227,523
Thereafter	<u>-</u>
Total	<u>(\$ 466,079)</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: PENSION PLAN (CONTINUED)

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

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	Varies by entry-age and service
Mortality	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period 1997 to 2011 including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

Change of Assumptions

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB 68 section.

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

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: PENSION PLAN (CONTINUED)

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

Discount Rate (Continued)

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

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

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

The following presents the City's proportionate share of the net pension liability as of the measurement date, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease 6.65%</u>	<u>Discount Rate 7.65%</u>	<u>1% Increase 8.65%</u>
Miscellaneous	\$ 8,597,478	\$ 4,798,851	\$ 1,662,646

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

NOTE 11: PENSION PLAN (CONTINUED)

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

Pension Plan Fiduciary Net Position

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

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The City contributes to California Public Employees Retirement System (CalPERS), an agent employer defined benefit postemployment healthcare plan administrator (“the Retiree Health Plan”). An employee is eligible for lifetime medical benefits under the Plan, along with his/her spouse at the time of retirement, if he or she retires from the City under CalPERS.

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 2016, the City contributed \$304,396 to the plan, including \$181,341 in retiree premiums.

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

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	\$ 316,053
Interest on net OPEB obligation	(95,025)
Adjustment to annual required contribution	<u>120,430</u>
Annual OPEB cost	341,458
Contributions made:	
Pay as you go contribution	(181,339)
Additional funding contribution	<u>(123,055)</u>
Increase (Decrease) in net OPEB obligation	37,064
Net OPEB Obligation (Asset) Beginning	<u>(1,357,504)</u>
Net OPEB Obligation (Asset) Ending	<u><u>(\$ 1,320,440)</u></u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2016

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

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

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

Other postemployment benefits asset	\$ 1,821,527
Other postemployment benefits liability	(501,087)
Net OPEB asset	<u>\$ 1,320,440</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:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2014	399,527	70.8%	(1,396,394)
June 30, 2015	331,189	88.4%	(1,357,504)
June 30, 2016	341,458	89.1%	(1,320,440)

D. Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 90.1 percent funded. The actuarial accrued liability was \$4,687,512 and the actuarial value of assets was \$5,202,779, resulting in an unfunded actuarial accrued liability (UAAL) of \$515,267. The covered payroll (annual payroll of employees covered by the plan) was \$3,431,120, and the ratio of the UAAL to the covered payroll was 15.02 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, 2016

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

E. Actuarial Methods and Assumptions (Continued)

In the July 1, 2013 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 6 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 on a closed basis. The remaining amortization period at June 30, 2016, was twenty-two 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 Organized 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, 2016, the balance owed on the commitment at June 30, 2016 was \$5,700,000.

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, 2016

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.

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

<u>Type of Indebtedness</u>	<u>Balance</u>	<u>Additions/</u>	<u>Retirements</u>	<u>Balance</u>	<u>Amounts</u>
	<u>July 1, 2015</u>	<u>Adjustments</u>		<u>June 30, 2016</u>	<u>Due Within</u>
					<u>One Year</u>
Tax Allocation Bonds	\$ 3,900,000	\$ -	(\$ 265,000)	\$ 3,635,000	\$ 270,000
Total	<u>\$ 3,900,000</u>	<u>\$ -</u>	<u>(\$ 265,000)</u>	<u>\$ 3,635,000</u>	<u>\$ 270,000</u>

Individual issues of debt payable outstanding at June 30, 2016, are as follows:

Tax Allocation Bonds:

Tax Allocation Revenue Refunding Bonds, Series 2014, issued by the Shasta Lake Public Financing Authority in the amount of \$3,900,000 and payable in annual installments of \$265,000 to \$400,000, with an interest rate of 2.00% to 5.00% and maturity on December 1, 2026. The bonds were used to refund the 2006 Tax Allocation Revenue Bonds.

	<u>\$ 3,635,000</u>
Total Tax Allocation Bonds	<u>\$ 3,635,000</u>

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

<u>Year Ended</u> <u>June 30</u>	<u>Tax Allocation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 270,000	\$ 135,806	\$ 405,806
2018	280,000	128,231	408,231
2019	285,000	119,044	404,044
2020	300,000	108,056	408,056
2021	310,000	95,856	405,856
2022-2026	1,790,000	246,796	2,036,796
2027	<u>400,000</u>	<u>5,000</u>	<u>405,000</u>
Total	<u>\$ 3,635,000</u>	<u>\$ 838,789</u>	<u>\$ 4,473,789</u>

C. Subsequent Events

Management has evaluated events subsequent to June 30, 2016 through December 8, 2016, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

**Required Supplementary Information
(Unaudited)**

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CITY OF SHASTA LAKE
Required Supplementary Information
City Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2016
Last 10 Years*

	<u>2015</u>	<u>2016</u>
Miscellaneous Plan		
Proportion of the net pension liability	0.07059%	6.99000%
Proportionate share of the net pension liability	\$ 4,392,836	\$ 4,798,851
Covered employee payroll	3,288,389	3,288,389
Proportionate share of the net pension liability as a percentage of covered employee payroll	133.59%	145.93%
Plan fiduciary net position as a percentage of the total pension liability	83.80%	82.80%

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

CITY OF SHASTA LAKE
Required Supplementary Information
City Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2016
Last 10 Years*

	<u>2015**</u>	<u>2016</u>
Miscellaneous Plan		
Contractually required contribution (actuarially determined)	\$ 539,884	\$ 373,644
Contributions in relation to the actuarially determined contributions	<u>(2,502,238)</u>	<u>(604,944)</u>
Contribution deficiency (excess)	<u>\$ (1,962,354)</u>	<u>\$ (231,300)</u>
Covered employee payroll	\$ 3,288,389	\$ 3,427,408
Contributions as a percentage of covered employee payroll	76.09%	17.65%

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

**The June 30, 2015 balances have been restated to agree to the actual contributions per the City records.

CITY OF SHASTA LAKE
Required Supplementary Information
Notes to City Pension Plan
For the Year Ended June 30, 2016

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

Change of assumptions: The discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

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

Valuation date	June 30, 2012
Actuarial cost method	Entry-Age Normal
Amortization method/period	For details, see June 30, 2012 Funding Valuation report
Asset valuation method	Actuarial value of assets
Inflation	2.75%
Salary increases	Varies by entry-age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expense, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS experience study for the period 1997 to 2007

CITY OF SHASTA LAKE
Required Supplementary Information
City OPEB Plan
Schedule of Funding Progress
For the Year Ended June 30, 2016

SCHEDULE OF FUNDING PROGRESS

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 percent funded status, the better position it will be in to meet all of its future liabilities.

The table below shows a two-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 for the City Other Postemployment Benefit Plan. As additional years are available, a three-year trend analysis will be presented.

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%	\$ 2,974,135	45.6%
July 1, 2013	4,687,512	5,202,779	515,267	90.0%	7,431,120	15.02%

CITY OF SHASTA LAKE
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 1,835,000	\$ 2,224,500	\$ 2,475,254	\$ 250,754
Licenses and permits	118,000	110,500	108,239	(2,261)
Fines and forfeitures	20,650	17,650	8,277	(9,373)
Use of money and property	5,000	9,500	81,624	72,124
Intergovernmental	749,500	748,500	872,576	124,076
Charges for services	3,150,625	3,158,125	3,187,583	29,458
Other revenues	27,200	20,800	21,726	926
Total Revenues	5,905,975	6,289,575	6,755,279	465,704
EXPENDITURES				
Current:				
General government:	2,157,568	2,368,685	2,181,544	187,141
Public safety	2,831,120	2,843,655	2,795,330	48,325
Public ways and facilities	61,375	53,775	45,503	8,272
Planning	635,715	731,518	625,659	105,859
Culture and recreation	247,324	262,324	239,766	22,558
Debt service:				
Interest	-	13,000	10,839	2,161
Capital outlay	-	6,083,908	303,863	5,780,045
Total Expenditures	5,933,102	12,356,865	6,202,504	6,154,361
Excess of Revenues Over (Under) Expenditures	(27,127)	(6,067,290)	552,775	6,620,065
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,046,298	2,046,748	450
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	2,046,298	2,046,748	450
Net Change in Fund Balance	(27,127)	(4,020,992)	2,599,523	6,620,515
Fund Balance - Beginning	2,990,982	2,990,982	2,990,982	-
Fund Balance - Ending	\$ 2,963,855	\$ (1,030,010)	\$ 5,590,505	\$ 6,620,515

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
HOME - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 141	\$ (2,359)
Intergovernmental	40,000	70,365	-	(70,365)
Other Revenue	-	78,316	-	(78,316)
Total Revenues	<u>42,500</u>	<u>151,181</u>	<u>141</u>	<u>(151,040)</u>
EXPENDITURES				
Current:				
Community development	<u>74,000</u>	<u>225,181</u>	<u>48,179</u>	<u>177,002</u>
Total Expenditures	<u>74,000</u>	<u>225,181</u>	<u>48,179</u>	<u>177,002</u>
Net Change in Fund Balance	(31,500)	(74,000)	(48,038)	25,962
Fund Balance - Beginning	<u>4,488,986</u>	<u>4,488,986</u>	<u>4,488,986</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,457,486</u>	<u>\$ 4,414,986</u>	<u>\$ 4,440,948</u>	<u>\$ 25,962</u>

CITY OF SHASTA LAKE
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2016

NOTE 1: 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 departments 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.

NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following nonmajor debt service fund had expenditures which exceeded appropriations as follows:

Davis Grunsky Loan Act	\$ 6
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**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, 2016

	Special Revenue Funds	Debt Service Funds	Totals
ASSETS			
Cash and investments	\$ 3,280,081	\$ 134,070	\$ 3,414,151
Receivables:			
Taxes	29,804	562	30,366
Intergovernmental	229,128	-	229,128
Special assessments	-	36,000	36,000
Land held for resale	594,927	-	594,927
Loans receivable	708,646	-	708,646
	\$ 4,842,586	\$ 170,632	\$ 5,013,218
LIABILITIES			
Accounts payable	\$ 51,626	\$ 128	\$ 51,754
Due to other governments	31,207	-	31,207
Deposits payable	7,875	-	7,875
Due to other funds	218,000	36,000	254,000
Unearned revenues	55,276	-	55,276
	363,984	36,128	400,112
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	36,000	36,000
	-	36,000	36,000
FUND BALANCES			
Restricted	4,485,441	98,504	4,583,945
Unassigned	(6,839)	-	(6,839)
	4,478,602	98,504	4,577,106
	\$ 4,842,586	\$ 170,632	\$ 5,013,218

CITY OF SHASTA LAKE
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue Funds	Debt Service Funds	Totals
REVENUES			
Taxes and assessments	\$ 369,500	\$ 15,547	\$ 385,047
Use of money and property	12,158	270	12,428
Intergovernmental	1,217,917	20	1,217,937
Charges for services	214,621	-	214,621
	1,814,196	15,837	1,830,033
Total Revenues			
EXPENDITURES			
Current:			
General government	10,067	673	10,740
Public safety	100,000	-	100,000
Public ways and facilities	678,760	-	678,760
Community development	178,793	-	178,793
Debt service:			
Principal	-	30,660	30,660
Interest	-	4,929	4,929
Capital outlay	879,556	-	879,556
	1,847,176	36,262	1,883,438
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	(32,980)	(20,425)	(53,405)
OTHER FINANCING SOURCES (USES)			
Transfers in	450	-	450
Transfers out	(210,900)	-	(210,900)
	(210,450)	-	(210,450)
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(243,430)	(20,425)	(263,855)
Fund Balances - Beginning	4,722,032	118,929	4,840,961
Fund Balances - Ending	\$ 4,478,602	\$ 98,504	\$ 4,577,106

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, 2016

	Law Enforcement Fund (COPS)	Water P&FCC Charges	State Trafficway	Electric P&FCC Charges
ASSETS				
Cash and investments	\$ 28,867	\$ 14,822	\$ 2,308,984	\$ 242,202
Receivables:				
Taxes	-	-	29,804	-
Intergovernmental	-	-	-	-
Land held for resale	-	-	-	-
Loans receivable	-	-	-	-
	Total Assets	\$ 14,822	\$ 2,338,788	\$ 242,202
	\$ 28,867	\$ 14,822	\$ 2,338,788	\$ 242,202
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 33,629	\$ -
Due to other governments	28,627	-	2,580	-
Deposits payable	-	-	7,875	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	55,276	-
	Total Liabilities	-	99,360	-
	28,627	-	99,360	-
FUND BALANCES (DEFICIT)				
Restricted	240	14,822	2,239,428	242,202
Unassigned	-	-	-	-
	Total Fund Balances (Deficit)	14,822	2,239,428	242,202
	240	14,822	2,239,428	242,202
	Total Liabilities and Fund Balances	\$ 14,822	\$ 2,338,788	\$ 242,202
	\$ 28,867	\$ 14,822	\$ 2,338,788	\$ 242,202

CDBG Project Fund	CDBG Housing Rehabilitation	Wastewater P&FCC Charges	Parks P&FCC Charges	Housing Authority	Totals
\$ 30	\$ 16	\$ 492,430	\$ 130,801	\$ 61,929	\$ 3,280,081
-	-	-	-	-	29,804
229,128	-	-	-	-	229,128
-	-	-	-	594,927	594,927
-	169,176	-	-	539,470	708,646
<u>\$ 229,158</u>	<u>\$ 169,192</u>	<u>\$ 492,430</u>	<u>\$ 130,801</u>	<u>\$ 1,196,326</u>	<u>\$ 4,842,586</u>
\$ 17,997	\$ -	\$ -	\$ -	\$ -	\$ 51,626
-	-	-	-	-	31,207
-	-	-	-	-	7,875
218,000	-	-	-	-	218,000
-	-	-	-	-	55,276
<u>235,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,984</u>
-	169,192	492,430	130,801	1,196,326	4,485,441
(6,839)	-	-	-	-	(6,839)
<u>(6,839)</u>	<u>169,192</u>	<u>492,430</u>	<u>130,801</u>	<u>1,196,326</u>	<u>4,478,602</u>
<u>\$ 229,158</u>	<u>\$ 169,192</u>	<u>\$ 492,430</u>	<u>\$ 130,801</u>	<u>\$ 1,196,326</u>	<u>\$ 4,842,586</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, 2016

	Law Enforcement Fund (COPS)	Water P&FCC Charges	State Trafficway	Electric P&FCC Charges
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ 369,500	\$ -
Use of money and property	-	244	8,407	761
Intergovernmental	100,000	-	631,188	-
Charges for services	-	87,891	22,965	12,367
Total Revenues	<u>100,000</u>	<u>88,135</u>	<u>1,032,060</u>	<u>13,128</u>
EXPENDITURES				
Current:				
General government	-	2,230	-	3,320
Public safety	100,000	-	-	-
Public ways and facilities	-	-	676,330	2,430
Community development	-	-	-	-
Capital outlay	-	-	661,497	-
Total Expenditures	<u>100,000</u>	<u>2,230</u>	<u>1,337,827</u>	<u>5,750</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>85,905</u>	<u>(305,767)</u>	<u>7,378</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(85,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(85,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>905</u>	<u>(305,767)</u>	<u>7,378</u>
Fund Balances (Deficit) - Beginning	<u>240</u>	<u>13,917</u>	<u>2,545,195</u>	<u>234,824</u>
Fund Balances (Deficit) - Ending	<u>\$ 240</u>	<u>\$ 14,822</u>	<u>\$ 2,239,428</u>	<u>\$ 242,202</u>

CDBG Project Fund	CDBG Housing Rehabilitation	Wastewater P&FCC Charges	Parks P&FCC Charges	Housing Authority	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369,500
-	225	1,894	390	237	12,158
486,729	-	-	-	-	1,217,917
-	-	62,172	29,226	-	214,621
<u>486,729</u>	<u>225</u>	<u>64,066</u>	<u>29,616</u>	<u>237</u>	<u>1,814,196</u>
-	-	2,196	586	1,735	10,067
-	-	-	-	-	100,000
-	-	-	-	-	678,760
180,528	-	-	-	(1,735)	178,793
218,059	-	-	-	-	879,556
<u>398,587</u>	<u>-</u>	<u>2,196</u>	<u>586</u>	<u>-</u>	<u>1,847,176</u>
<u>88,142</u>	<u>225</u>	<u>61,870</u>	<u>29,030</u>	<u>237</u>	<u>(32,980)</u>
-	450	-	-	-	450
-	(900)	(125,000)	-	-	(210,900)
-	(450)	(125,000)	-	-	(210,450)
88,142	(225)	(63,130)	29,030	237	(243,430)
<u>(94,981)</u>	<u>169,417</u>	<u>555,560</u>	<u>101,771</u>	<u>1,196,089</u>	<u>4,722,032</u>
<u>\$ (6,839)</u>	<u>\$ 169,192</u>	<u>\$ 492,430</u>	<u>\$ 130,801</u>	<u>\$ 1,196,326</u>	<u>\$ 4,478,602</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Law Enforcement Fund (COPS) - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Public safety	100,000	100,000	100,000	-
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	<u>240</u>	<u>240</u>	<u>240</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 240</u></u>	<u><u>\$ 240</u></u>	<u><u>\$ 240</u></u>	<u><u>\$ -</u></u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Water P&FCC Charges - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 244	\$ 44
Charges for services	50,000	65,000	87,891	22,891
Total Revenues	<u>50,200</u>	<u>65,200</u>	<u>88,135</u>	<u>22,935</u>
EXPENDITURES				
Current:				
General government	2,230	2,230	2,230	-
Total Expenditures	<u>2,230</u>	<u>2,230</u>	<u>2,230</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>47,970</u>	<u>62,970</u>	<u>85,905</u>	<u>22,935</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	65,000	(85,000)	(150,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>65,000</u>	<u>(85,000)</u>	<u>(150,000)</u>
Net Change in Fund Balance	47,970	127,970	905	(127,065)
Fund Balance - Beginning	<u>13,917</u>	<u>13,917</u>	<u>13,917</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 61,887</u>	<u>\$ 141,887</u>	<u>\$ 14,822</u>	<u>\$ (127,065)</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
State Trafficway - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 314,800	\$ 353,357	\$ 369,500	\$ 16,143
Use of money and property	8,000	8,000	8,407	407
Intergovernmental	493,000	573,840	631,188	57,348
Charges for services	4,000	15,000	22,965	7,965
Total Revenues	<u>819,800</u>	<u>950,197</u>	<u>1,032,060</u>	<u>81,863</u>
EXPENDITURES				
Current:				
Public ways and facilities	1,014,835	882,623	676,330	206,293
Capital outlay	-	1,200,000	661,497	538,503
Total Expenditures	<u>1,014,835</u>	<u>2,082,623</u>	<u>1,337,827</u>	<u>744,796</u>
Net Change in Fund Balance	(195,035)	(1,132,426)	(305,767)	826,659
Fund Balance - Beginning	<u>2,545,195</u>	<u>2,545,195</u>	<u>2,545,195</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,350,160</u>	<u>\$ 1,412,769</u>	<u>\$ 2,239,428</u>	<u>\$ 826,659</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Electric P&FCC Charges - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 1,000	\$ -	\$ 761	\$ 761
Charges for services	100,000	10,000	12,367	2,367
Total Revenues	<u>101,000</u>	<u>10,000</u>	<u>13,128</u>	<u>3,128</u>
EXPENDITURES				
Current:				
General government	3,320	3,320	3,320	-
Public ways and facilities	-	-	2,430	(2,430)
Capital outlay	100,000	3,000	-	3,000
Total Expenditures	<u>103,320</u>	<u>6,320</u>	<u>5,750</u>	<u>570</u>
Net Change in Fund Balance	(2,320)	3,680	7,378	3,698
Fund Balance - Beginning	<u>234,824</u>	<u>234,824</u>	<u>234,824</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 232,504</u>	<u>\$ 238,504</u>	<u>\$ 242,202</u>	<u>\$ 3,698</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
CDBG Project Fund - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 5,000	\$ 1,543,640	\$ 486,729	\$ (1,056,911)
Total Revenues	<u>5,000</u>	<u>1,543,640</u>	<u>486,729</u>	<u>(1,056,911)</u>
EXPENDITURES				
Community development	5,000	1,543,640	398,587	1,145,053
Total Expenditures	<u>5,000</u>	<u>1,543,640</u>	<u>398,587</u>	<u>1,145,053</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>88,142</u>	<u>88,142</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>88,142</u>	<u>88,142</u>
Fund Balance (Deficit) - Beginning	<u>(94,981)</u>	<u>(94,981)</u>	<u>(94,981)</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ (94,981)</u>	<u>\$ (94,981)</u>	<u>\$ (6,839)</u>	<u>\$ 88,142</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
CDBG Housing Rehabilitation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 100	\$ 100	\$ 225	\$ 125
Other revenue	1,500	1,500	-	(1,500)
Total Revenues	1,600	1,600	225	(1,375)
EXPENDITURES				
Current:				
Community development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	1,600	1,600	225	(1,375)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	450	450
Transfers out	-	-	(900)	(900)
Total Other Financing Sources (Uses)	-	-	(450)	(450)
Net Change in Fund Balance	1,600	1,600	(225)	(1,825)
Fund Balance - Beginning	169,417	169,417	169,417	-
Fund Balance - Ending	\$ 171,017	\$ 171,017	\$ 169,192	\$ (1,825)

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Wastewater P&FCC Charges - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<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	\$ 1,894	\$ (106)
Charges for services	37,500	59,000	62,172	3,172
Total Revenues	<u>39,500</u>	<u>61,000</u>	<u>64,066</u>	<u>3,066</u>
EXPENDITURES				
Current:				
General government	2,196	2,196	2,196	-
Total Expenditures	<u>2,196</u>	<u>2,196</u>	<u>2,196</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>37,304</u>	<u>58,804</u>	<u>61,870</u>	<u>3,066</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(125,000)	(125,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(125,000)</u>	<u>(125,000)</u>
Net Change in Fund Balance	37,304	58,804	(63,130)	(121,934)
Fund Balance - Beginning	<u>555,560</u>	<u>555,560</u>	<u>555,560</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 592,864</u>	<u>\$ 614,364</u>	<u>\$ 492,430</u>	<u>\$ (121,934)</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Parks P&FCC Charges - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 500	\$ 500	\$ 390	\$ (110)
Charges for services	10,000	25,000	29,226	4,226
Total Revenues	<u>10,500</u>	<u>25,500</u>	<u>29,616</u>	<u>4,116</u>
EXPENDITURES				
Current:				
General government	586	586	586	-
Total Expenditures	<u>586</u>	<u>586</u>	<u>586</u>	<u>-</u>
Net Change in Fund Balance	9,914	24,914	29,030	4,116
Fund Balance - Beginning	<u>101,771</u>	<u>101,771</u>	<u>101,771</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 111,685</u>	<u>\$ 126,685</u>	<u>\$ 130,801</u>	<u>\$ 4,116</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Housing Authority - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 237	\$ 237
Total Revenues	<u>-</u>	<u>-</u>	<u>237</u>	<u>237</u>
EXPENDITURES				
General government	-	41,000	1,735	39,265
Community development	1,750	48,863	(1,735)	50,598
Total Expenditures	<u>1,750</u>	<u>89,863</u>	<u>-</u>	<u>89,863</u>
Net Change in Fund Balance	(1,750)	(89,863)	237	90,100
Fund Balance - Beginning	<u>1,196,089</u>	<u>1,196,089</u>	<u>1,196,089</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 1,194,339</u></u>	<u><u>\$ 1,106,226</u></u>	<u><u>\$ 1,196,326</u></u>	<u><u>\$ 90,100</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 Loan Act

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

CITY OF SHASTA LAKE
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2016

	Rosamond Debt Service	Riddle Road Water Bond	Davis Grunsky Loan Act	Totals
ASSETS				
Cash and investments	\$ 8,350	\$ 42,750	\$ 82,970	\$ 134,070
Receivables:				
Taxes	-	544	18	562
Special assessments	-	36,000	-	36,000
Total Assets	\$ 8,350	\$ 79,294	\$ 82,988	\$ 170,632
LIABILITIES				
Accounts payable	128	-	-	128
Due to other funds	-	36,000	-	36,000
Total Liabilities	128	36,000	-	36,128
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	36,000	-	36,000
Total Deferred Inflows of Resources	-	36,000	-	36,000
FUND BALANCES				
Restricted	8,222	7,294	82,988	98,504
Total Fund Balances	8,222	7,294	82,988	98,504
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,350	\$ 79,294	\$ 82,988	\$ 170,632

CITY OF SHASTA LAKE
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2016

	Rosamond Debt Service	Riddle Road Water Bond	Davis Grunsky Loan Act	Totals
REVENUES				
Taxes and assessments	\$ -	\$ 3,646	\$ 11,901	\$ 15,547
Use of money and property	28	(15)	257	270
Intergovernmental	-	-	20	20
Total Revenues	<u>28</u>	<u>3,631</u>	<u>12,178</u>	<u>15,837</u>
EXPENDITURES				
Current:				
General government	673	-	-	673
Debt service:				
Principal	20,000	2,000	8,660	30,660
Interest	750	1,850	2,329	4,929
Total Expenditures	<u>21,423</u>	<u>3,850</u>	<u>10,989</u>	<u>36,262</u>
Net Change in Fund Balances	(21,395)	(219)	1,189	(20,425)
Fund Balances - Beginning	<u>29,617</u>	<u>7,513</u>	<u>81,799</u>	<u>118,929</u>
Fund Balances - Ending	<u>\$ 8,222</u>	<u>\$ 7,294</u>	<u>\$ 82,988</u>	<u>\$ 98,504</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Rosamond Debt Service - Nonmajor Debt Service Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 21,750	\$ 21,750	\$ -	\$ (21,750)
Use of money and property	100	100	28	(72)
Total Revenues	<u>21,850</u>	<u>21,850</u>	<u>28</u>	<u>(21,822)</u>
EXPENDITURES				
Current:				
General government	2,400	2,400	673	1,727
Debt service:				
Principal	20,000	20,000	20,000	-
Interest	750	750	750	-
Total Expenditures	<u>23,150</u>	<u>23,150</u>	<u>21,423</u>	<u>1,727</u>
Net Change in Fund Balance	(1,300)	(1,300)	(21,395)	(20,095)
Fund Balance - Beginning	<u>29,617</u>	<u>29,617</u>	<u>29,617</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 28,317</u>	<u>\$ 28,317</u>	<u>\$ 8,222</u>	<u>\$ (20,095)</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Riddle Road Water Bond - Nonmajor Debt Service Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 3,045	\$ 3,045	\$ 3,646	\$ 601
Use of money and property	-	-	(15)	(15)
Total Revenues	<u>3,045</u>	<u>3,045</u>	<u>3,631</u>	<u>586</u>
EXPENDITURES				
Debt service:				
Principal	2,000	2,000	2,000	-
Interest	1,850	1,850	1,850	-
Total Expenditures	<u>3,850</u>	<u>3,850</u>	<u>3,850</u>	<u>-</u>
Net Change in Fund Balance	(805)	(805)	(219)	586
Fund Balance - Beginning	<u>7,513</u>	<u>7,513</u>	<u>7,513</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 6,708</u>	<u>\$ 6,708</u>	<u>\$ 7,294</u>	<u>\$ 586</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Davis Grunsky Loan Act - Nonmajor Debt Service Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 12,000	\$ 12,000	\$ 11,901	\$ (99)
Use of money and property	100	100	257	157
Intergovernmental	-	-	20	20
Total Revenues	<u>12,100</u>	<u>12,100</u>	<u>12,178</u>	<u>78</u>
EXPENDITURES				
Debt service:				
Principal	8,450	8,750	8,660	90
Interest	2,533	2,233	2,329	(96)
Total Expenditures	<u>10,983</u>	<u>10,983</u>	<u>10,989</u>	<u>(6)</u>
Net Change in Fund Balance	1,117	1,117	1,189	72
Fund Balance - Beginning	<u>81,799</u>	<u>81,799</u>	<u>81,799</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 82,916</u>	<u>\$ 82,916</u>	<u>\$ 82,988</u>	<u>\$ 72</u>

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.

CITY OF SHASTA LAKE
Combining Statement of Net Position
Internal Service Funds
June 30, 2016

	Motor Pool	Public Works	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ 329,336	\$ 459,060	\$ 788,396
Total Current Assets	<u>329,336</u>	<u>459,060</u>	<u>788,396</u>
Noncurrent Assets:			
Other postemployment benefits asset	193,022	480,410	673,432
Capital assets:			
Depreciable, net	945,399	213,730	1,159,129
Total Noncurrent Assets	<u>1,138,421</u>	<u>694,140</u>	<u>1,832,561</u>
Total Assets	<u>1,467,757</u>	<u>1,153,200</u>	<u>2,620,957</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension adjustments	15,156	135,430	150,586
Total Deferred Outflows of Resources	<u>15,156</u>	<u>135,430</u>	<u>150,586</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	14,640	4,963	19,603
Salaries and benefits payable	2,317	26,182	28,499
Compensated absences payable	9,588	68,338	77,926
Capital lease payable	28,486	-	28,486
Total Current Liabilities	<u>55,031</u>	<u>99,483</u>	<u>154,514</u>
Noncurrent Liabilities:			
Advances from other funds	26,620	312,554	339,174
Net pension liability	88,214	837,641	925,855
Total Noncurrent Liabilities	<u>114,834</u>	<u>1,150,195</u>	<u>1,265,029</u>
Total Liabilities	<u>169,865</u>	<u>1,249,678</u>	<u>1,419,543</u>
DEFERRED INFLOWS OF RESOURCES			
Pension adjustments	11,971	124,961	136,932
Total Deferred Inflows of Resources	<u>11,971</u>	<u>124,961</u>	<u>136,932</u>
NET POSITION			
Net investment in capital assets	916,913	213,730	1,130,643
Unrestricted	384,164	(299,739)	84,425
Total Net Position	<u>\$ 1,301,077</u>	<u>\$ (86,009)</u>	<u>\$ 1,215,068</u>

CITY OF SHASTA LAKE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2016

	Motor Pool	Public Works	Totals
OPERATING REVENUES			
Charges for services	\$ 608,311	\$ 1,531,779	\$ 2,140,090
Other revenue	-	170	170
Total Operating Revenues	<u>608,311</u>	<u>1,531,949</u>	<u>2,140,260</u>
OPERATING EXPENSES			
Salaries and benefits	105,622	986,498	1,092,120
Administration	152,599	334,750	487,349
Insurance	6,044	10,798	16,842
Supplies	3,528	16,252	19,780
Repair and maintenance	142,778	5,029	147,807
Professional services	3,175	37,615	40,790
Depreciation	235,269	7,634	242,903
Total Operating Expenses	<u>649,015</u>	<u>1,398,576</u>	<u>2,047,591</u>
Operating Income (Loss)	<u>(40,704)</u>	<u>133,373</u>	<u>92,669</u>
NON-OPERATING REVENUES (EXPENSES)			
Gain (loss) on sale of capital assets	(5,564)	-	(5,564)
Interest expense	(2,701)	(5,807)	(8,508)
Total Non-Operating Revenues (Expenses)	<u>(8,265)</u>	<u>(5,807)</u>	<u>(14,072)</u>
Change in Net Position	<u>(48,969)</u>	<u>127,566</u>	<u>78,597</u>
Total Net Position - Beginning	<u>1,350,046</u>	<u>(213,575)</u>	<u>1,136,471</u>
Total Net Position - Ending	<u>\$ 1,301,077</u>	<u>\$ (86,009)</u>	<u>\$ 1,215,068</u>

CITY OF SHASTA LAKE
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2016

	Motor Pool	Public Works	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services	\$ 336	\$ 1,272	\$ 1,608
Receipts from interfund services	608,311	1,531,779	2,140,090
Payments to suppliers	(274,258)	(102,805)	(377,063)
Payments for interfund services	(40,530)	(302,940)	(343,470)
Payments to employees	(114,504)	(1,060,801)	(1,175,305)
Net Cash Provided (Used) by Operating Activities	<u>179,355</u>	<u>66,505</u>	<u>245,860</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Interfund loans repaid	(3,042)	(35,701)	(38,743)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(3,042)</u>	<u>(35,701)</u>	<u>(38,743)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(58,012)	-	(58,012)
Principal paid on debt	(55,393)	-	(55,393)
Interest paid on debt	(2,701)	(5,807)	(8,508)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(116,106)</u>	<u>(5,807)</u>	<u>(121,913)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	60,207	24,997	85,204
Balances - Beginning	<u>269,129</u>	<u>434,063</u>	<u>703,192</u>
Balances - Ending	<u>\$ 329,336</u>	<u>\$ 459,060</u>	<u>\$ 788,396</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (40,704)	\$ 133,373	\$ 92,669
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	235,269	7,634	242,903
Decrease (increase) in:			
Accounts receivable	336	1,102	1,438
Net OPEB asset	954	10,004	10,958
Pension adjustment - deferred outflows	(5,578)	(43,170)	(48,748)
Increase (decrease) in:			
Accounts payable	(5,731)	568	(5,163)
Salaries and benefits payable	467	4,566	5,033
Due to other governments	(933)	(1,869)	(2,802)
Compensated absences	1,560	17,298	18,858
Net pension liability	7,817	63,192	71,009
Pension adjustment - deferred inflows	(14,102)	(126,193)	(140,295)
Net Cash Provided (Used) by Operating Activities	<u>\$ 179,355</u>	<u>\$ 66,505</u>	<u>\$ 245,860</u>

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.

CITY OF SHASTA LAKE
Statement of Assets and Liabilities
Agency Fund
June 30, 2016

	Community Facility Districts	Totals
ASSETS		
Cash and investments	\$ 301,603	\$ 301,603
Receivables:		
Taxes	975	975
Total Assets	\$ 302,578	\$ 302,578
LIABILITIES		
Accounts payable	\$ 7,363	\$ 7,363
Agency obligations	295,215	295,215
Total Liabilities	\$ 302,578	\$ 302,578

CITY OF SHASTA LAKE
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
COMMUNITY FACILITY DISTRICTS				
ASSETS				
Cash and investments	\$ 253,548	\$ 48,055	\$ -	\$ 301,603
Receivables:				
Taxes	378	597	-	975
Total Assets	<u>\$ 253,926</u>	<u>\$ 48,652</u>	<u>\$ -</u>	<u>\$ 302,578</u>
LIABILITIES				
Accounts payable	\$ -	\$ 7,363	\$ -	\$ 7,363
Agency obligations	253,926	41,289	-	295,215
Total Liabilities	<u>\$ 253,926</u>	<u>\$ 48,652</u>	<u>\$ -</u>	<u>\$ 302,578</u>

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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.

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

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Governmental Activities				
Net investment in capital assets	\$ 42,276,380	\$ 42,518,150	\$ 44,251,610	\$ 45,358,187
Restricted	11,416,796	12,781,389	13,620,477	14,159,185
Unrestricted	3,523,764	3,955,119	3,503,525	1,785,070
Total governmental activities net position	\$ 57,216,940	\$ 59,254,658	\$ 61,375,612	\$ 61,302,442
Business-type Activities				
Net investment in capital assets	\$ 31,072,814	\$ 35,334,222	\$ 35,670,069	\$ 34,118,950
Restricted	6,111,623	2,830,859	1,006,091	992,149
Unrestricted	11,906,131	14,290,305	16,070,235	16,414,994
Total business-type activities net position	\$ 49,090,568	\$ 52,455,386	\$ 52,746,395	\$ 51,526,093
Primary Government				
Net investment in capital assets	\$ 73,349,194	\$ 77,852,372	\$ 79,921,679	\$ 79,477,137
Restricted	17,528,419	15,612,248	14,626,568	15,151,334
Unrestricted	15,429,895	18,245,424	19,573,760	18,200,064
Total primary government net position	\$106,307,508	\$111,710,044	\$114,122,007	\$112,828,535

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ 49,643,294	\$ 52,274,952	\$ 52,295,145	\$ 48,273,741	\$ 47,105,807	\$ 46,980,971
14,803,221	8,110,724	8,633,920	9,833,597	10,781,288	10,262,714
(1,103,484)	2,313,537	2,789,860	4,716,258	3,162,244	6,007,533
<u>\$ 63,343,031</u>	<u>\$ 62,699,213</u>	<u>\$ 63,718,925</u>	<u>\$ 62,823,596</u>	<u>\$ 61,049,339</u>	<u>\$ 63,251,218</u>
\$ 32,604,718	\$ 31,579,360	\$ 37,184,118	\$ 23,037,784	\$ 23,395,913	\$ 29,225,573
998,403	998,185	997,747	977,967	987,219	63,124
17,001,652	18,096,357	12,587,267	25,934,191	22,916,967	17,814,771
<u>\$ 50,604,773</u>	<u>\$ 50,673,902</u>	<u>\$ 50,769,132</u>	<u>\$ 49,949,942</u>	<u>\$ 47,300,099</u>	<u>\$ 47,103,468</u>
\$ 82,248,012	\$ 83,854,312	\$ 89,479,263	\$ 71,311,525	\$ 70,501,720	\$ 76,206,544
15,801,624	9,108,909	9,631,667	10,811,564	11,768,507	10,325,838
15,898,168	20,409,894	15,377,127	30,650,449	26,079,211	23,822,304
<u>\$113,947,804</u>	<u>\$113,373,115</u>	<u>\$114,488,057</u>	<u>\$112,773,538</u>	<u>\$108,349,438</u>	<u>\$110,354,686</u>

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

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Expenses				
Governmental Activities:				
General government	\$ 2,865,683	\$ 2,884,859	\$ 3,067,756	\$ 2,886,441
Public safety	2,446,781	2,830,146	2,874,156	2,966,827
Public ways and facilities	1,242,080	1,242,598	50,259	1,953,478
Planning	381,661	482,136	407,431	356,499
Culture and recreation	301,235	357,993	386,623	311,831
Community development	1,206,696	1,723,742	2,935,471	2,485,092
Interest on long-term debt	-	-	-	-
Total Governmental Activities Expenses	<u>8,444,136</u>	<u>9,521,474</u>	<u>9,721,696</u>	<u>10,960,168</u>
Business-Type Activities:				
Water	1,789,359	1,796,805	2,651,243	2,391,584
Electric	15,001,329	19,046,728	18,422,891	18,224,258
Wastewater	2,125,633	2,193,838	2,331,054	2,367,035
Industrial park	165,284	165,061	147,544	140,737
Total Business-Type Activities Expenses	<u>19,081,605</u>	<u>23,202,432</u>	<u>23,552,732</u>	<u>23,123,614</u>
Total Primary Government Expenses	<u>\$ 27,525,741</u>	<u>\$ 32,723,906</u>	<u>\$ 33,274,428</u>	<u>\$ 34,083,782</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 2,609,730	\$ 2,784,349	\$ 2,864,793	\$ 3,011,768
Public safety	130,705	181,727	106,344	100,917
Public ways and facilities	10,545	-	11,895	70,186
Planning	106,329	51,305	22,095	34,113
Culture and recreation	1,325	9,036	16,172	8,030
Community development	54,132	48,345	15,270	21,695
Operating grants and contributions	2,508,386	2,413,959	4,213,084	1,819,835
Capital grants and contributions	1,348,571	1,090,107	594,325	535,921
Total Governmental Activities Program Revenues	<u>6,769,723</u>	<u>6,578,828</u>	<u>7,843,978</u>	<u>5,602,465</u>
Business-Type Activities:				
Charges for services:				
Water	1,918,290	1,880,046	1,843,969	1,901,864
Electric	17,173,529	20,041,141	17,830,444	17,303,120
Wastewater	1,548,979	1,622,343	1,710,520	2,080,443
Industrial park	4,913	6,470	6,152	44,948
Operating grants and contributions	2,100,113	388,318	-	-
Capital grants and contributions	96,543	104,067	101,290	56,634
Total Business-Type Activities Program Revenues	<u>22,842,367</u>	<u>24,042,385</u>	<u>21,492,375</u>	<u>21,387,009</u>
Total Primary Government Program Revenues	<u>\$ 29,612,090</u>	<u>\$ 30,621,213</u>	<u>\$ 29,336,353</u>	<u>\$ 26,989,474</u>

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ 2,902,975	\$ 2,796,741	\$ 2,492,722	\$ 2,636,610	\$ 2,061,600	\$ 2,056,476
2,751,631	2,747,717	2,848,143	2,761,952	2,802,199	2,889,166
1,947,459	1,589,908	1,883,790	2,041,296	1,949,843	1,963,018
348,835	334,373	371,593	514,828	668,710	547,822
282,910	274,282	254,399	298,171	302,959	295,177
2,436,714	506,149	117,714	389,440	328,401	240,983
-	-	-	169,850	159,790	147,472
<u>10,670,524</u>	<u>8,249,170</u>	<u>7,968,361</u>	<u>8,812,147</u>	<u>8,273,502</u>	<u>8,140,114</u>
2,056,226	1,930,159	2,255,672	2,748,608	2,459,582	2,952,972
15,456,282	15,603,541	17,526,105	20,114,409	19,374,664	18,664,440
2,437,577	2,152,763	2,524,844	2,735,434	2,141,935	2,448,732
130,142	119,011	147,052	132,300	142,459	83,632
<u>20,080,227</u>	<u>19,805,474</u>	<u>22,453,673</u>	<u>25,730,751</u>	<u>24,118,640</u>	<u>24,149,776</u>
<u>\$ 30,750,751</u>	<u>\$ 28,054,644</u>	<u>\$ 30,422,034</u>	<u>\$ 34,542,898</u>	<u>\$ 32,392,142</u>	<u>\$ 32,289,890</u>
\$ 2,743,366	\$ 2,889,853	\$ 2,998,406	\$ 2,944,400	\$ 3,006,016	\$ 2,941,279
73,335	69,222	71,291	98,883	108,154	96,573
1,766	6,068	72,064	274,347	329,996	361,363
30,328	37,272	15,661	-	-	-
3,461	3,263	3,966	5,432	7,000	1,505
22,083	41,205	11,678	-	12,303	-
2,542,442	1,424,029	2,459,906	1,847,156	1,749,838	1,571,797
1,200,951	618,903	217,806	333,623	304,440	254,623
<u>6,617,732</u>	<u>5,089,815</u>	<u>5,850,778</u>	<u>5,503,841</u>	<u>5,517,747</u>	<u>5,227,140</u>
1,965,585	2,143,515	2,447,152	2,518,565	2,454,424	2,475,734
14,469,256	14,921,718	17,038,476	19,271,837	19,027,126	20,153,868
2,226,744	2,178,308	2,368,044	2,584,526	2,651,905	2,790,033
45,732	49,451	51,300	-	-	-
-	-	-	-	-	-
61,943	53,730	417,370	51,087	151,046	49,265
<u>18,769,260</u>	<u>19,346,722</u>	<u>22,322,342</u>	<u>24,426,015</u>	<u>24,284,501</u>	<u>25,468,900</u>
<u>\$ 25,386,992</u>	<u>\$ 24,436,537</u>	<u>\$ 28,173,120</u>	<u>\$ 29,929,856</u>	<u>\$ 29,802,248</u>	<u>\$ 30,696,040</u>

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

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Net (Expense)/Revenue¹				
Governmental Activities	\$ (1,674,413)	\$ (2,942,646)	\$ (1,877,718)	\$ (5,357,703)
Business-Type Activities	3,760,762	839,953	(2,060,357)	(1,736,605)
 Total Primary Government Net Expense	<u>\$ 2,086,349</u>	<u>\$ (2,102,693)</u>	<u>\$ (3,938,075)</u>	<u>\$ (7,094,308)</u>
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 3,954,335	\$ 4,094,899	\$ 4,121,837	\$ 3,850,713
Sales and use taxes	600,145	628,969	446,298	455,952
Transient occupancy taxes	16,290	13,285	9,136	7,750
Other taxes	185,959	184,756	184,597	153,181
Motor vehicle in-lieu	768,887	823,530	844,126	814,202
Interest and investment earnings	566,345	528,054	203,269	80,752
Miscellaneous	41,679	37,133	28,917	32,590
Transfers	(509,854)	(1,330,262)	(1,839,508)	(110,607)
Gain/loss on sale of asset	-	-	-	-
Extraordinary gain	-	-	-	-
 Total Governmental Activities	<u>5,623,786</u>	<u>4,980,364</u>	<u>3,998,672</u>	<u>5,284,533</u>
Business-Type Activities:				
Interest and investment earnings	1,373,799	1,071,344	475,770	304,857
Miscellaneous	111,298	123,259	36,088	100,839
Special item - loss on sale of property	-	-	-	-
Transfers	509,854	1,330,262	1,839,508	110,607
 Total Business-Type Activities	<u>1,994,951</u>	<u>2,524,865</u>	<u>2,351,366</u>	<u>516,303</u>
 Total Primary Government	<u>\$ 7,618,737</u>	<u>\$ 7,505,229</u>	<u>\$ 6,350,038</u>	<u>\$ 5,800,836</u>
 Change in Net Position				
Governmental Activities	\$ 3,949,373	\$ 2,037,718	\$ 2,120,954	\$ (73,170)
Business-Type Activities	5,755,713	3,364,818	291,009	(1,220,302)
 Total Primary Government	<u>\$ 9,705,086</u>	<u>\$ 5,402,536</u>	<u>\$ 2,411,963</u>	<u>\$ (1,293,472)</u>

Note:

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>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ (4,052,792) (1,310,967)	\$ (3,159,355) (458,752)	\$ (2,117,583) (131,331)	\$ (3,308,306) (1,304,736)	\$ (2,755,755) 165,861	\$ (2,912,974) 1,319,124
<u>\$ (5,363,759)</u>	<u>\$ (3,618,107)</u>	<u>\$ (2,248,914)</u>	<u>\$ (4,613,042)</u>	<u>\$ (2,589,894)</u>	<u>\$ (1,593,850)</u>
\$ 4,535,646 510,472 8,300 153,855 839,556 85,919 23,855 (86,000) 21,778 -	\$ 2,472,818 414,712 5,280 153,522 757,878 62,835 85,742 (196,739) - (705,676)	\$ 1,543,442 390,461 4,900 152,940 732,158 24,682 329,902 (41,186) - -	\$ 911,458 480,926 7,215 189,712 733,665 35,232 164,769 (110,000) - -	\$ 1,020,590 777,837 8,036 408,405 759,393 21,089 28,329 (65,000) 14,000 -	\$ 1,015,622 823,755 7,691 647,552 784,970 95,846 21,726 1,717,691 - -
<u>6,093,381</u>	<u>3,050,372</u>	<u>3,137,299</u>	<u>2,412,977</u>	<u>2,972,679</u>	<u>5,114,853</u>
212,123 91,524 - 86,000	215,606 115,536 - 196,739	150,238 35,132 - 41,187	157,207 408,876 - 110,000	130,341 263,754 - 65,000	235,266 192,679 (226,009) (1,717,691)
<u>389,647</u>	<u>527,881</u>	<u>226,557</u>	<u>676,083</u>	<u>459,095</u>	<u>(1,515,755)</u>
<u>\$ 6,483,028</u>	<u>\$ 3,578,253</u>	<u>\$ 3,363,856</u>	<u>\$ 3,089,060</u>	<u>\$ 3,431,774</u>	<u>\$ 3,599,098</u>
\$ 2,040,589 (921,320)	\$ (108,983) 69,129	\$ 1,019,716 95,226	\$ (895,329) (628,653)	\$ 216,924 624,956	\$ 2,201,879 (196,631)
<u>\$ 1,119,269</u>	<u>\$ (39,854)</u>	<u>\$ 1,114,942</u>	<u>\$ (1,523,982)</u>	<u>\$ 841,880</u>	<u>\$ 2,005,248</u>

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

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
General Fund				
Reserved	\$ 156,993	\$ 156,994	\$ 156,993	\$ 72,503
Unreserved	3,286,498	3,660,648	3,222,503	3,564,483
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 3,443,491</u>	<u>\$ 3,817,642</u>	<u>\$ 3,379,496</u>	<u>\$ 3,636,986</u>
All Other Governmental Funds				
Reserved	\$ 13,103,041	\$ 14,253,582	\$ 14,653,474	\$ 12,745,664
Unreserved, reported in: Special revenue funds	4,460,178	4,392,777	4,523,970	5,037,755
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 17,563,219</u>	<u>\$ 18,646,359</u>	<u>\$ 19,177,444</u>	<u>\$ 17,783,419</u>

Note:

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>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,481,416	3,677,876	3,322,038	641,692	630,748	596,191
-	-	-	1,046,606	1,154,764	4,693,366
(1,413,127)	(1,309,733)	(488,173)	719,127	1,205,470	300,948
<u>\$ 3,068,289</u>	<u>\$ 2,368,143</u>	<u>\$ 2,833,865</u>	<u>\$ 2,407,425</u>	<u>\$ 2,990,982</u>	<u>\$ 5,590,505</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
15,851,076	8,206,752	8,727,876	9,061,761	9,974,045	9,586,435
-	-	-	(50,301)	(94,981)	(6,839)
<u>\$ 15,851,076</u>	<u>\$ 8,206,752</u>	<u>\$ 8,727,876</u>	<u>\$ 9,011,460</u>	<u>\$ 9,879,064</u>	<u>\$ 9,579,596</u>

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

	Fiscal Year			
	2006/2007	2007/2008	2008/2009	2009/2010
Revenues				
Taxes and assessments	\$ 5,291,715	\$ 5,870,194	\$ 5,362,411	\$ 5,069,637
Licenses and permits	206,670	168,359	103,845	115,615
Fines and forfeitures	19,264	24,090	26,761	14,361
Use of money	726,318	678,082	274,034	105,227
Intergovernmental	3,474,403	2,944,031	4,898,038	2,655,155
Charges for services	3,235,628	3,235,596	3,069,691	3,286,705
Other revenues	48,366	52,102	34,376	41,905
Total Revenues	13,002,364	12,972,454	13,769,156	11,288,605
Expenditures				
Current:				
General government	2,152,231	2,364,435	2,554,374	2,289,272
Public safety	2,411,849	2,821,343	2,863,740	2,760,245
Public ways and facilities	481,744	510,061	523,949	661,154
Planning	377,544	478,194	403,488	352,557
Culture and recreation	258,093	283,951	337,806	309,232
Community development	1,462,576	1,949,983	4,441,991	3,532,795
Debt service				
Principal	377,364	379,487	333,904	543,082
Interest	521,015	496,854	479,645	458,786
Capital outlay	1,570,696	2,055,855	1,705,920	1,427,517
Total Expenditures	9,613,112	11,340,163	13,644,817	12,334,640
Excess of Revenues Over (Under) Expenditures	3,389,252	1,632,291	124,339	(1,046,035)
Other Financing Sources (Uses)				
Debt proceeds	-	-	-	-
Transfers in	1,005,766	1,151,547	920,265	789,509
Transfers out	(1,152,066)	(1,326,547)	(951,665)	(880,009)
Total Other Financing Sources (Uses)	(146,300)	(175,000)	(31,400)	(90,500)
Extraordinary loss	-	-	-	-
Net Change in Fund Balances (Deficits)	\$ 3,242,952	\$ 1,457,291	\$ 92,939	\$ (1,136,535)
Debt Service as a Percentage of Noncapital Expenditures	11.17%	9.44%	6.81%	9.19%

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ 5,808,266	\$ 3,672,060	\$ 2,749,373	\$ 2,321,000	\$ 2,869,231	\$ 3,111,277
87,440	100,801	68,367	98,638	106,596	108,239
11,710	8,959	21,722	18,107	18,671	8,277
114,036	85,263	46,091	35,232	21,089	95,846
3,452,138	1,959,472	2,733,862	2,242,654	2,218,629	2,090,513
2,775,660	3,008,184	3,169,464	3,206,317	3,338,202	3,402,204
333,872	94,841	340,384	164,769	28,329	21,726
<u>12,583,122</u>	<u>8,929,580</u>	<u>9,129,263</u>	<u>8,086,717</u>	<u>8,600,747</u>	<u>8,838,082</u>
2,469,149	2,399,456	2,312,602	2,672,669	2,045,628	2,192,284
2,716,676	2,740,964	2,841,390	2,730,507	2,770,937	2,895,330
558,748	262,238	850,563	981,087	740,775	724,263
344,893	330,431	367,652	510,886	681,406	625,659
615,465	291,405	199,546	246,507	247,479	239,766
2,376,820	353,125	116,467	388,106	307,128	236,424
308,461	103,647	107,829	113,243	117,449	127,660
437,365	423,254	156,510	162,044	158,891	149,520
5,200,585	4,109,715	1,165,359	439,949	28,893	1,183,419
<u>15,028,162</u>	<u>11,014,235</u>	<u>8,117,918</u>	<u>8,244,998</u>	<u>7,098,586</u>	<u>8,374,325</u>
<u>(2,445,040)</u>	<u>(2,084,655)</u>	<u>1,011,345</u>	<u>(158,281)</u>	<u>1,502,161</u>	<u>463,757</u>
-	-	-	-	14,000	-
791,811	686,192	10,856	23,299	26,073	2,047,198
(847,811)	(686,192)	(35,356)	(133,299)	(91,073)	(210,900)
<u>(56,000)</u>	<u>-</u>	<u>(24,500)</u>	<u>(110,000)</u>	<u>(51,000)</u>	<u>1,836,298</u>
-	(5,724,980)	-	-	-	-
<u>\$ (2,501,040)</u>	<u>\$ (7,809,635)</u>	<u>\$ 986,845</u>	<u>\$ (268,281)</u>	<u>\$ 1,451,161</u>	<u>\$ 2,300,055</u>

7.59%

7.63%

3.80%

3.53%

3.91%

3.85%

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

<u>Fiscal Year</u>	<u>Undesignated Fund Balance</u>	<u>Annual Appropriations</u>	<u>Balance as % of Appropriations</u>
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	5,694,351	42.3%
2014/2015	2,990,982	6,273,502	47.7%
2015/2016	5,590,505	6,755,281	82.8%

Note:

Due to Governmental Accounting Standards Board Statement 54 reporting requirements, Undesignated Fund Balance for 2011-2016 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	Use of Money	Intergovern- mental	Charges for Services	Miscellaneous
2006/2007	\$ 1,745,347	\$ 206,670	\$ 19,264	\$ 127,869	\$ 781,071	\$ 2,680,220	\$ 48,282
2007/2008	1,790,270	168,359	24,090	170,862	835,103	2,877,479	29,454
2008/2009	1,549,247	103,845	26,761	74,157	857,071	2,900,501	34,322
2009/2010	1,416,233	115,615	14,361	30,301	848,170	3,107,426	30,992
2010/2011	1,507,924	87,440	11,710	31,516	851,116	2,762,945	26,554
2011/2012	1,508,997	100,801	8,959	23,477	769,547	2,899,163	27,195
2012/2013	2,071,651	68,367	21,722	21,731	740,194	3,072,595	329,211
2013/2014	1,564,553	98,638	18,107	16,702	748,837	3,082,745	164,769
2014/2015	2,191,158	106,596	18,671	10,447	766,966	3,151,335	28,329
2015/2016	2,475,254	108,239	8,277	81,624	872,576	3,187,583	21,726

Note:

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

Source:

City of Shasta Lake Financial Records

Total

\$ 5,608,723

5,895,617

5,545,904

5,563,098

5,279,205

5,338,139

6,325,471

5,694,351

6,273,502

6,755,279

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>
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
2014/2015	1,197,772	576,943	8,036	20,213	199,752
2015/2016	1,161,602	658,408	7,691	25,665	204,991

Notes:

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
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
2014/2015	2,045,628	2,770,937	740,775	681,406	247,479	307,128	276,340
2015/2016	2,192,284	2,895,330	724,263	625,659	239,766	236,424	277,180

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
\$ 1,570,696	\$ 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
28,893	7,098,586
1,183,419	8,374,325

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
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%
2014/2015	666,135,128	9,971,155	(31,463,673)	644,642,610	3.482%	1.000%
2015/2016	685,887,452	9,812,151	(32,243,707)	663,455,896	2.918%	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)
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
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%	0.0194%	0.0138%	0.0880%	0.0019%
2015	1.0000%	0.0000%	1.0000%	0.0680%	0.0291%	0.0107%	0.0014%
2016	1.0000%	0.0000%	1.0000%	0.0463%	0.0265%	0.0051%	0.0100%

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.

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

Source:

Shasta County Auditor/Controller's Office

Shasta DamPUD CA State Loan	Bella Vista Water (land only)	Total Direct and Overlapping Rates
0.0129%	0.3332%	1.3980%
0.0033%	0.3346%	1.3851%
0.0000%	0.3529%	1.3964%
0.0000%	0.3700%	1.4300%
0.0000%	0.3700%	1.4367%
0.0000%	0.3700%	1.4588%
0.0000%	0.3700%	1.4517%
0.0000%	0.3700%	1.4931%
0.0000%	0.3608%	1.4700%
0.0000%	0.3700%	1.4579%

CITY OF SHASTA LAKE
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collections within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years**</u>	<u>Total Collections to Date</u>	
		<u>Amount*</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
2007	\$ 530,547	\$ 514,134	96.91%	\$ -	\$ 514,134	96.91%
2008	583,001	559,771	96.02%	-	559,771	96.02%
2009	599,640	571,735	95.35%	-	571,735	95.35%
2010	576,012	562,903	97.72%	-	562,903	97.72%
2011	576,156	551,352	95.69%	-	551,352	95.69%
2012	563,585	547,036	97.06%	-	547,036	97.06%
2013	579,301	562,886	97.17%	-	562,886	97.17%
2014	586,005	586,005	100.00%	-	586,005	100.00%
2015	729,181	708,774	97.20%	-	708,774	97.20%
2016	720,742	712,500	98.86%	-	712,500	98.86%

Note:

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

**Collections in subsequent years information was not available in City records prior to the 2015/2016 fiscal year.

Source:

Shasta County Auditor/Controller's Office

CITY OF SHASTA LAKE
Shasta Dam Redevelopment Project Area
Historic Tax Increment Revenues
Last Seven Fiscal Years

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Tax Increment Receipts Less Supplemental Taxes</u>	<u>Supplemental Taxes</u>	<u>Total Tax Increment Receipts</u>	<u>% of Levy Received (1)</u>
2010	3,711,419	3,957,637	10,678	3,968,315	107%
2011	3,561,818	3,655,637	15,680	3,671,317	103%
2012	3,428,012	1,517,744	(3,647)	1,514,097	44%
2013	3,443,330	3,374,384	(10,554)	3,363,830	98%
2014	3,557,793	3,379,879	30,089	3,409,968	96%
2015	3,562,625	3,612,643	32,668	3,645,311	102%
2016	3,715,273	3,789,732	41,327	3,831,059	103%

Notes:

(1) Decrease in actual amount of levy received due to RDA's in California being dissolved.
Data pertaining to fiscal years prior to 2007, 2008, and 2009 is not available, the latest prior year available is fiscal year 2010.

Source:

Shasta County Assessor's Office

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

<u>Taxpayer</u>	<u>Fiscal Year 2015/2016</u>			
	<u>Type of Business</u>	<u>Rank</u>	<u>2016 Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Knauf Fiber Glass	Industrial	1	\$ 126,853,528	18.49%
Humboldt Flakeboard	Industrial	2	9,283,505	1.35%
Rite Aid	Retail	3	5,657,757	0.82%
Tara Hills Garden Investors	Housing	4	5,387,864	0.79%
Fresenius	Industrial	5	5,149,166	0.75%
Shasta Community Health Center	Medical	6	2,940,506	0.43%
Bronze Court LLC	Industrial	7	1,540,000	0.22%
Central Valley Investment Group	Housing	8	1,460,557	0.21%
McDonald's	Food Service	9	1,311,804	0.19%
Circle K	Fuel/Market	10	1,161,777	0.17%
Top Ten Secured Valuation			\$ 160,746,464	23.44%
Total City of Shasta Lake Assessed Property Valuation Fiscal Year 2015/2016.				\$ 685,887,452

<u>Taxpayer</u>	<u>Fiscal Year 2010/2011</u>			
	<u>Type of Business</u>	<u>Rank</u>	<u>2012 Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Knauf Fiber Glass	Industrial	1	\$ 136,647,609	20.47%
Humboldt Flakeboard	Industrial	2	6,811,724	1.02%
ARC FRSHLCA001 LLC	Industrial	3	5,425,000	0.81%
Tara Hills Garden Investors	Apartments	4	4,946,002	0.74%
Ridge Limited Partnership	Retail	5	2,800,000	0.42%
Shasta Community Health Center	Medical	6	2,150,121	0.32%
Bronze Court LLC	Industrial	7	1,800,000	0.27%
SVB Resolution Holdings LLC	Inv. Property	8	1,750,000	0.26%
Central Valley Investment Group	Apartments	9	1,381,000	0.21%
Golden Arch Ltd. Partnership	Retail	10	1,212,100	0.18%
Top Ten Secured Valuation			\$ 164,923,556	24.71%
Total City of Shasta Lake Assessed Property Valuation Fiscal Year 2010/2011.				\$ 667,495,725

Note:

Data pertaining to fiscal year 2006/2007 is not available, the latest prior year available is fiscal year 2010/2011.

Source:

Shasta County Assessor's Annual Report

CITY OF SHASTA LAKE
Shasta Dam Redevelopment Project Area
Ten Largest Property Taxpayers
Fiscal Year 2015/2016

<u>Taxpayer</u>	<u>Type of Use</u>	<u>Secured Value</u>	<u>Unsecured Value</u>	<u>% of Total Taxable Value (2)</u>	<u>% of Total Incremental Value (3)</u>
Knauf Fiber Glass	Industrial	\$ 126,853,528	\$ -	27.89%	34.14%
Humboldt Flakeboard	Industrial	9,283,505	-	2.04%	2.50%
Bobo Family Trust	Commercial	5,657,757	-	1.24%	1.52%
Arc Frshlca LLC	Commercial	5,149,166	-	1.13%	1.39%
Bronze Court LLC	Residential	1,540,000	-	0.34%	0.41%
Central Valley Investment Group	Commercial	1,460,557	-	0.32%	0.39%
Golden Arch LTP Partnership	Commercial	1,311,804	-	0.29%	0.35%
Maruti Cascade LLC	Residential	1,161,777	-	0.26%	0.31%
Smith Family Living Trust	Commercial	1,101,523	-	0.24%	0.30%
Oakridge Group Inc.	Commercial	1,099,116	-	0.24%	0.30%
Total		<u>\$ 154,618,733</u>	<u>\$ -</u>	<u>33.99%</u>	<u>41.62%</u>

Note:

- (1) Based on ownership of locally-assessed secured and unsecured property.
 - (2) Based on Shasta Dam Redevelopment Project Area taxable value of \$454,894,243.
 - (3) The top ten property owners do not have outstanding assessment appeals.
- Data pertaining to fiscal year 2006/2007 is not available.

Source:

Shasta County Assessor's Annual Report

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

<u>Fiscal Year</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>	
	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits</u>	<u>Value</u>
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
2014/2015	2	405,095	25	2,958,623
2015/2016	7	966,841	37	3,003,404

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

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

Fiscal Year	Governmental Activities				Business-Type Activities		
	Special Assessment and Revenue Bonds	Tax Allocation Bonds	Loans	Total	Special Assessment and Revenue Bonds	Loans	Financing Leases
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
2014/2015	3,079,000	-	104,963	3,183,963	7,840,000	4,179,037	83,879
2015/2016	2,960,000	-	96,303	3,056,303	810,000	3,982,253	28,486

Notes:

(1) See Economic Information schedule for personal income data

Source:

U.S. Census Bureau
State of California, Department of Finance, Demographic Research Unit

Total	Total Primary Government	Percentage of Personal Income (1)	Population	Debt Per Capita
\$ 17,272,416	\$ 27,704,493	8.19%	10,142	\$ 2,732
16,700,785	26,753,373	7.92%	10,148	2,636
16,104,096	25,822,780	7.77%	10,151	2,544
15,487,252	24,662,845	7.24%	10,164	2,426
15,130,846	23,997,988	6.83%	10,098	2,377
14,415,475	17,938,961	4.99%	10,058	1,784
13,672,501	17,088,157	4.67%	10,064	1,698
12,901,748	16,203,160	4.26%	10,044	1,613
12,102,916	15,286,879	3.69%	10,541	1,450
4,820,739	7,877,042	1.80%	10,523	749

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
2006/2007	10,142	\$ 27,704,493	\$ 17,272,416	\$ 10,432,077	\$ 614,322,066	1.70%	\$ 1,029
2007/2008	10,148	26,753,373	16,700,785	10,052,588	676,623,586	1.49%	990.60
2008/2009	10,151	25,822,790	16,104,096	9,718,694	704,410,900	1.38%	957.41
2009/2010	10,164	24,662,845	15,487,252	9,175,593	682,180,855	1.35%	902.75
2010/2011	10,098	23,997,979	14,845,056	9,152,923	649,067,490	1.41%	906.41
2011/2012	10,058	17,938,961	14,177,358	3,761,603	620,144,622	0.61%	373.99
2012/2013	10,064	17,088,157	13,483,880	3,604,277	635,031,288	0.57%	358.14
2013/2014	10,044	16,202,520	12,764,498	3,438,022	653,522,176	0.53%	342.30
2014/2015	10,541	15,286,879	12,019,037	3,267,842	676,106,283	0.48%	310.01
2015/2016	10,523	7,877,042	4,792,253	3,084,789	676,106,283	0.46%	293.15

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

<u>Fiscal Year</u>	<u>Net Bonded Debt</u>	<u>Total Debt Service</u>	<u>Total General Expenditures*</u>	<u>Ratio of Debt Service to General Expenditures</u>
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%
2014/2015	3,267,842	276,340	6,793,353	4.07%
2015/2016	3,084,789	277,180	8,374,325	3.31%

Note:

*Total Governmental fund expenditures including debt service and capital outlay.

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

	Fiscal Year			
	<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>
Net Assessed Value	\$ 614,322,066	\$ 676,623,586	\$ 704,410,900	\$ 682,180,855
Plus Exempt Property	<u>27,548,279</u>	<u>29,871,825</u>	<u>29,893,900</u>	<u>29,830,360</u>
Total Assessed Value	<u>\$ 641,870,345</u>	<u>\$ 706,495,411</u>	<u>\$ 734,304,800</u>	<u>\$ 712,011,215</u>
Debt Limit				
15% of Total Assessed Value	\$ 96,280,552	\$ 105,974,312	\$ 110,145,720	\$ 106,801,682
Less Outstanding General Obligation Debt	<u>10,432,077</u>	<u>10,052,588</u>	<u>9,718,684</u>	<u>9,175,593</u>
Legal Debt Margin	<u>\$ 85,848,475</u>	<u>\$ 95,921,724</u>	<u>\$ 100,427,036</u>	<u>\$ 97,626,089</u>

Source:
City of Shasta Lake Financial Records

<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
\$ 649,067,490	\$ 599,633,246	\$ 604,627,403	\$ 622,952,415	\$ 644,642,610	\$ 663,455,896
<u>30,486,666</u>	<u>30,102,800</u>	<u>30,403,885</u>	<u>30,569,761</u>	<u>31,463,673</u>	<u>32,243,707</u>
<u>\$ 679,554,156</u>	<u>\$ 629,736,046</u>	<u>\$ 635,031,288</u>	<u>\$ 653,522,176</u>	<u>\$ 676,106,283</u>	<u>\$ 695,699,603</u>
\$ 101,933,123	\$ 94,460,407	\$ 95,254,693	\$ 98,028,326	\$ 101,415,942	\$ 104,354,940
<u>9,152,923</u>	<u>3,761,603</u>	<u>3,604,277</u>	<u>3,438,022</u>	<u>3,267,842</u>	<u>3,084,789</u>
<u>\$ 92,780,200</u>	<u>\$ 90,698,804</u>	<u>\$ 91,650,416</u>	<u>\$ 94,590,304</u>	<u>\$ 98,148,100</u>	<u>\$ 101,270,151</u>

CITY OF SHASTA LAKE
Economic Information
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>		<u>Unemployment Rate (1)</u>
		<u>Total</u>	<u>Per Capita</u>	
2007	10,142	\$ 338,397,972	\$ 33,366	10.3%
2008	10,148	337,806,624	33,288	13.6%
2009	10,151	332,384,344	32,744	19.7%
2010	10,164	340,463,508	33,497	21.1%
2011	10,098	351,147,852	34,774	20.0%
2012	10,058	359,653,964	35,758	18.1%
2013	10,064	365,967,296	36,364	14.9%
2014	10,044	380,717,820	37,905	9.1%
2015	10,541	414,819,667	39,353	6.0%
2016	10,523	437,988,306	41,622	5.5%

Note:

(1) These are annual average rates

Source:

California Employment Development Department
U.S. Department of Commerce, Bureau of Economic Analysis

CITY OF SHASTA LAKE
Principal Employers
Current Year and Five Year Ago

Employer	Fiscal Year 2015/2016			Fiscal Year 2010/2011		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Gateway Unified School District	198	1	5.2%	120	3	3.2%
Sierra Pacific	156	2	4.1%	145	1	3.8%
Knauf Insulation	115	3	3.0%	123	2	3.2%
City of Shasta Lake	47	4	1.2%	43	4	1.1%
McDonald's	40	5	1.1%	40	6	1.1%
Farmers Market Place	38	6	1.0%	31	7	0.8%
Fresinius Medical Care	20	7	0.5%	42	5	1.1%
Premiere Brand Meats	26	8	0.7%	22	9	0.6%
Lawrence & Associates	18	9	0.5%	-	-	-
Rite Aid	15	10	0.4%	10	10	0.3%
Trenchless Pipe Company	-	-	-	22	8	0.6%

Note:

Data pertaining to fiscal year 2006/2007 is not available, the latest prior year available is fiscal year 2010/2011.
Total estimated employees in the City of Shasta Lake for 2010/2011 and 2014/15 was 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, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
Water	2.00	2.00	3.00	3.00
Electric	11.00	11.00	11.00	11.00
Wastewater	3.00	3.00	3.00	3.00
City Manager, City Clerk, and Grant	6.60	6.60	6.60	7.10
Finance & Customer Service	10.00	10.00	10.30	10.10
Building Use & Planning	5.40	5.40	5.40	6.10
Public Works & Motor Pool & Other	14.50	15.10	16.20	16.40
Animal Control	1.90	1.90	1.90	1.90
Total Full-Time Equivalent Employees	<u>54.40</u>	<u>55.00</u>	<u>57.40</u>	<u>58.60</u>

Source:

City of Shasta Lake Personnel Department

<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
3.00	2.00	3.00	3.00	3.00	3.00
10.00	9.00	10.00	10.00	10.00	10.00
3.00	3.00	3.00	3.00	3.00	3.00
6.50	4.00	4.00	4.37	4.00	4.00
8.90	7.45	8.95	8.00	7.00	7.00
4.20	4.00	4.50	5.00	5.00	5.00
12.60	11.75	11.80	12.50	13.50	13.50
1.90	2.00	1.75	2.63	2.63	2.88
<u>50.10</u>	<u>43.20</u>	<u>47.00</u>	<u>48.50</u>	<u>48.13</u>	<u>48.38</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</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	3,718	3,722	3,700	3,679
Electric connections	4,443	4,469	4,450	4,419
Sewer connections	3,264	3,333	3,331	3,322
Police				
Calls for service	11,062	11,829	11,005	11,651

Notes:

* Reported on calendar year excludes November 2014 to December 2014

** Reported on calendar year excludes December 2015

Source:

California Department of Finance

City of Shasta Lake records

2011	2012	2013	2014	2015	2016
6,950	6,950	6,950	6,950	6,950	6,950
64	64	64	64	65	65
45	45	45	45	45	45
3,655	3,646	3,665	3,672	3,700	3,748
4,407	4,385	4,401	4,406	4,434	4,934
3,295	3,283	3,300	3,314	3,336	3,362
10,517	10,842	11,829	*12,138	**11,975	12,692

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