



Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2017

City of Shasta Lake,
State of California

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**City of Shasta Lake,
California**

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2017**

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

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CITY OF SHASTA LAKE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2017

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INTRODUCTORY SECTION

- **Letter of Transmittal**
- **Government Finance Officer's Association
Certificate of Achievement**
- **City Officials**
- **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 5, 2017

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, 2017. The fiscal year covers financial transactions from July 1, 2016 to June 30, 2017 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, 2017. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of the City and its Operations

The City of Shasta Lake has an estimated population of 10,020 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 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 a cash basis. 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 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, 2017, 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, investment, 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. A new budget for the fiscal years ending June 30, 2019 and 2020 is set to be completed by May 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. 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 continues work on 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. We are currently constructing a new City Hall and a Community Center for approximately \$5.8 million, with an expected completion date of June 2018. In August 2017, citizens passed Measure "A". This special election allows commercial Cannabis related businesses to operate within the City. Any revenues received will go to offset enforcement and safety. The City has allowed medical Cannabis collectives to operate within City limits since 2009.

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, 2016. 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, 2016

Executive Director/CEO

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CITY OF SHASTA LAKE
City Officials
For the Year Ended June 30, 2017

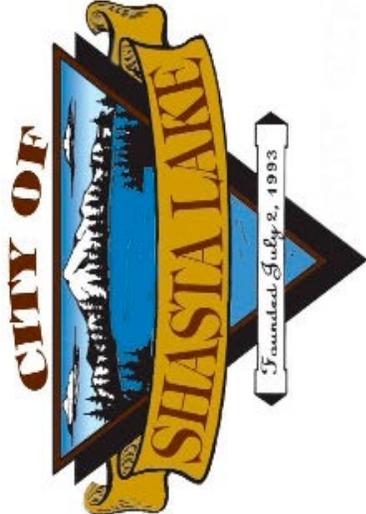
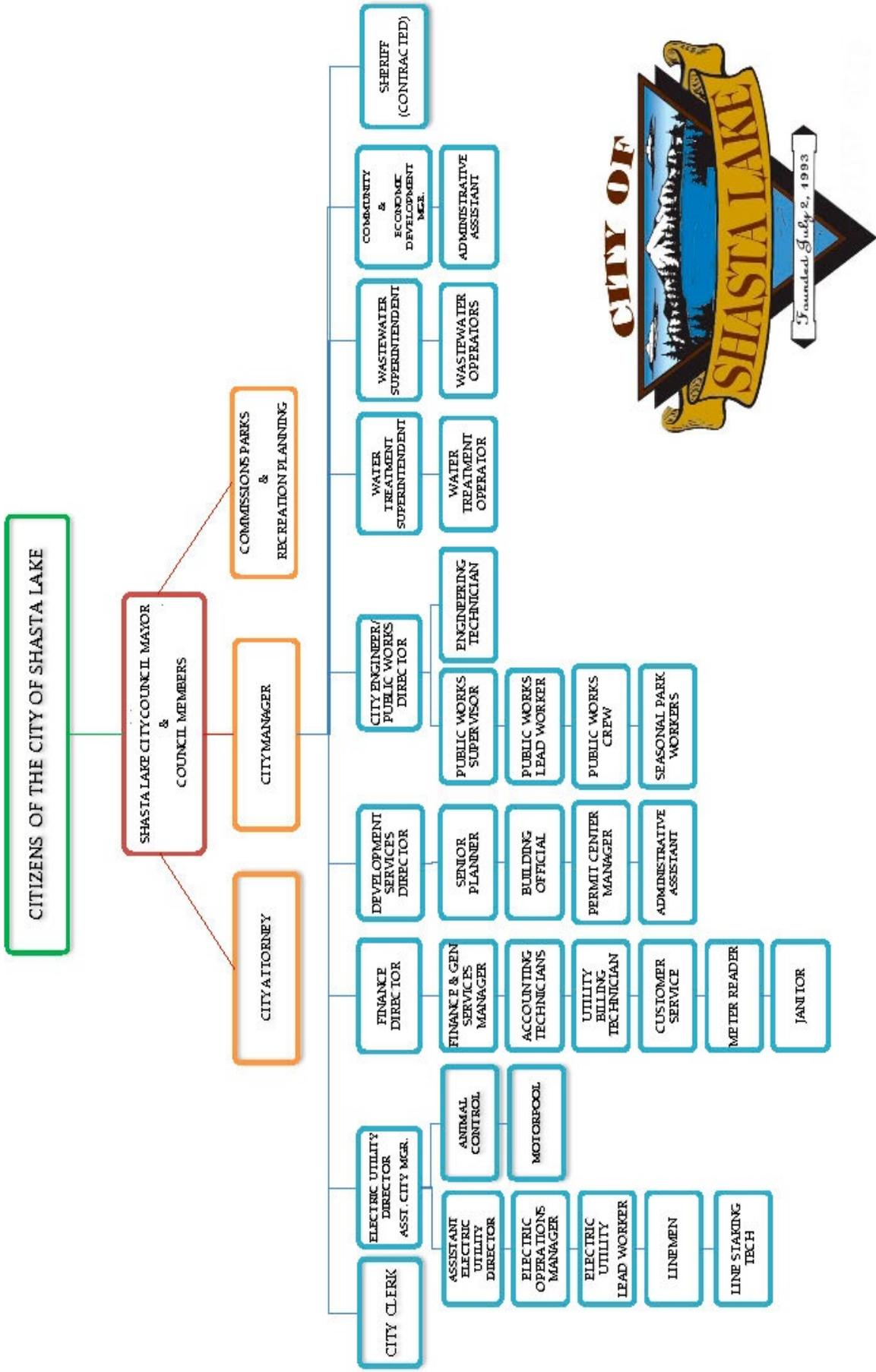
Elected Officials

Richard Kern..... Mayor
Larry Farr. Vice-Mayor
Pamelyn Morgan..... Member
Greg Watkins. Member
Janice Powell. Member

Administrative Personnel

John N. Duckett, Jr. City Manager
John Kenny..... City Attorney
Laura Redwine. Finance Director
Gerry Cupp..... Interim Electric Utility Director
Jeff Tedder. City Engineer
Farhad Mortazavi Development Services Director
Tony Thomasy. Water Treatment Superintendent
Tom Chism. Wastewater Treatment Superintendent
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, 2017, 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, 2017, 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 2016-17, the City implemented Governmental Accounting Standards Board (GASB) Statement Nos. 74, 77, 78, 80 and 82. Our opinion is not modified with respect to these matters.

As described in Note 10, the net pension liability is measured as of June 30, 2016 and the pension expense is for the measurement period of 2015-2016. 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.

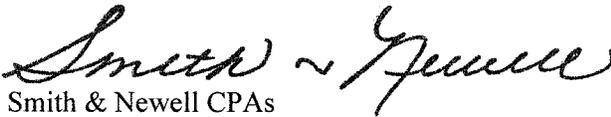
To the Honorable Mayor and Members of the City Council
City of Shasta Lake
Shasta Lake, California

The combining and individual 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 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 5, 2017 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 5, 2017

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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, 2017. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$112,295,032 (net position). Of this amount, \$25,880,514 (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 \$1,940,346. The governmental activities net position decreased by \$837,126 and the business-type activities net position increased by \$2,777,472.
- The City's total debt decreased by \$334,867 during the current fiscal year. The decrease is due to scheduled annual debt service payments.

Fund Financials

- At the close of fiscal year 2016-17, governmental funds reported combined ending fund balance of \$15,245,085, an increase of \$74,984 compared to the prior fiscal year's increase of \$2,300,055, which decreased due to anticipated capital outlay costs. The ending fund balance is primarily identified as: \$9,755,512 restricted (64 percent), \$4,497,103 assigned (29 percent), and \$992,470 unassigned (7 percent).
- At the end of the current fiscal year, the combined fund balance for the General fund was \$6,112,501. This represents an increase of \$521,996, which consists of \$598,175 in restricted funds, \$4,497,103 in assigned funds, and \$1,017,223 in unassigned funds.
- Proprietary funds reported a combined ending unrestricted net position of \$20,479,786, an increase of \$2,905,625, compared to the prior year decrease of \$4,601,046. This decrease is primarily due to the prior years' complete payoff of the revenue bond debt.

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 includes water, electric, and wastewater operations, as well as an industrial park. Also included in the government-wide financial statements are the Successor Agency to the Former City of Shasta Lake Redevelopment Agency (all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012) and the Shasta Lake Public Financing Authority. While these agencies are legally separate agencies, their governing boards consists entirely of City Council members and function for all practical purposes as departments of the City, therefore, have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages **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 Wastewater Treatment Debt 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 **79-80** and **91-92**.

The City adopts an annual appropriated budget for its general, special revenue, and debt service funds. A budgetary comparison schedule has been provided for the General fund and major special revenue fund to demonstrate compliance with this budget on pages **72-73**.

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 **98-100**.

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 fund 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 **31-67** 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 **68-74** of this report.

Combining statements for nonmajor governmental funds and nonmajor proprietary funds are presented immediately following the RSI. Combining and individual fund financial statements and schedules can be found on pages **75-103** of this report.

Statistical tables regarding; fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operation information can be found on pages **104-128** of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial assets. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$112,295,031 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, 2017 and 2016:

	NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current and other assets	\$ 20,244,473	\$ 19,951,131	\$ 22,458,697	\$ 24,663,397	\$ 42,703,170	\$ 44,614,528
Capital assets	50,037,274	49,422,571	34,046,312	34,594,825	84,083,586	84,017,396
Total assets	70,281,747	69,373,702	56,505,009	59,258,222	126,786,756	128,631,924
Deferred outflows of resources	300,255	579,594	509,499	1,176,409	809,754	1,756,003
Current liabilities	2,319,285	2,160,689	1,949,262	1,762,742	4,268,547	3,923,431
Long-term liabilities	4,752,412	5,185,952	7,549,976	8,447,269	12,302,388	13,633,221
Total liabilities	7,071,697	7,346,641	9,499,238	10,210,011	16,570,935	17,556,652
Deferred inflows of resources	259,087	192,563	411,802	343,680	670,889	536,243
Net position						
Net investment in capital assets	46,980,971	46,478,920	29,225,573	30,035,922	76,206,544	76,514,842
Restricted	10,262,714	9,836,174	63,124	63,502	10,325,838	9,899,676
Unrestricted	6,007,533	6,098,998	17,814,771	19,781,516	23,822,304	25,880,514
Total net position	\$ 63,251,218	\$ 62,414,092	\$ 47,103,468	\$ 49,880,940	\$ 110,354,686	\$ 112,295,032

By far, the largest portion of the City's net position (67.5 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$9,899,676 (8.8 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$25,880,514 (23.7 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 \$1,940,346 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		Business-Type		Total	
	Activities		Activities			
	2016	2017	2016	2017	2016	2017
Revenues:						
Program Revenues						
Charges for services	\$ 3,400,720	\$ 4,139,253	\$ 25,419,635	\$ 25,287,363	\$ 28,820,355	\$ 29,426,616
Operating grants and contributions	1,571,797	1,814,397	-	-	1,571,797	1,814,397
Capital grants and contributions	254,623	256,889	49,265	47,952	303,888	304,841
General Revenues						
Sales tax	823,755	887,066	-	-	823,755	887,066
Property tax	1,015,622	1,079,016	-	-	1,015,622	1,079,016
Transient and occupancy taxes	7,691	4,525	-	-	7,691	4,525
Other taxes	647,552	597,563	-	-	647,552	597,563
Motor vehicle in-lieu	784,970	807,631	-	-	784,970	807,631
Interest and investment earnings	95,846	49,391	235,266	66,178	331,112	115,569
Gain on sale of property	-	-	-	-	-	-
Other	21,726	9,267	192,679	158,264	214,405	167,531
Gain(Loss) on sale of property	-	-	-	-	-	-
Total revenues	<u>8,624,302</u>	<u>9,644,998</u>	<u>25,896,845</u>	<u>25,559,757</u>	<u>34,521,147</u>	<u>35,204,755</u>
Expenses:						
General government	2,056,476	2,691,742	-	-	2,056,476	2,691,742
Public safety	2,889,166	3,001,951	-	-	2,889,166	3,001,951
Recreation and culture	295,177	263,040	-	-	295,177	263,040
Planning	547,822	660,982	-	-	547,822	660,982
Public works	1,963,018	2,214,871	-	-	1,963,018	2,214,871
Community development	240,983	140,777	-	-	240,983	140,777
Interest and fiscal charges on						
long-term debt	147,472	142,430	-	-	147,472	142,430
Water	-	-	2,952,972	2,785,859	2,952,972	2,785,859
Electric	-	-	18,664,440	18,798,738	18,664,440	18,798,738
Wastewater	-	-	2,448,732	2,493,080	2,448,732	2,493,080
Industrial park	-	-	83,632	70,939	83,632	70,939
Total expenses	<u>8,140,114</u>	<u>9,115,793</u>	<u>24,149,776</u>	<u>24,148,616</u>	<u>32,289,890</u>	<u>33,264,409</u>
Increase (decrease) in net position before special items and transfers	484,188	529,205	1,747,069	1,411,141	2,231,257	1,940,346
Special items - loss on sale of property	-	-	(226,009)	-	(226,009)	-
Transfers	1,717,691	(1,366,331)	(1,717,691)	1,366,331	-	-
Change in net position	<u>2,201,879</u>	<u>(837,126)</u>	<u>(196,631)</u>	<u>2,777,472</u>	<u>2,005,248</u>	<u>1,940,346</u>
Net position, beginning of year	<u>61,049,339</u>	<u>63,251,218</u>	<u>47,300,099</u>	<u>47,103,468</u>	<u>108,349,438</u>	<u>110,354,686</u>
Net position, end of year	<u>\$ 63,251,218</u>	<u>\$ 62,414,092</u>	<u>\$ 47,103,468</u>	<u>\$ 49,880,940</u>	<u>\$ 110,354,686</u>	<u>\$ 112,295,032</u>

Governmental Activities - Governmental activities decreased the City's net position by \$837,126. Key elements of activities performed in the fiscal year ended June 30, 2017 are as follows:

Program revenues increased \$983,399 due to an increase in operating grants and contributions and an increase in charges for services. The major changes are highlighted below:

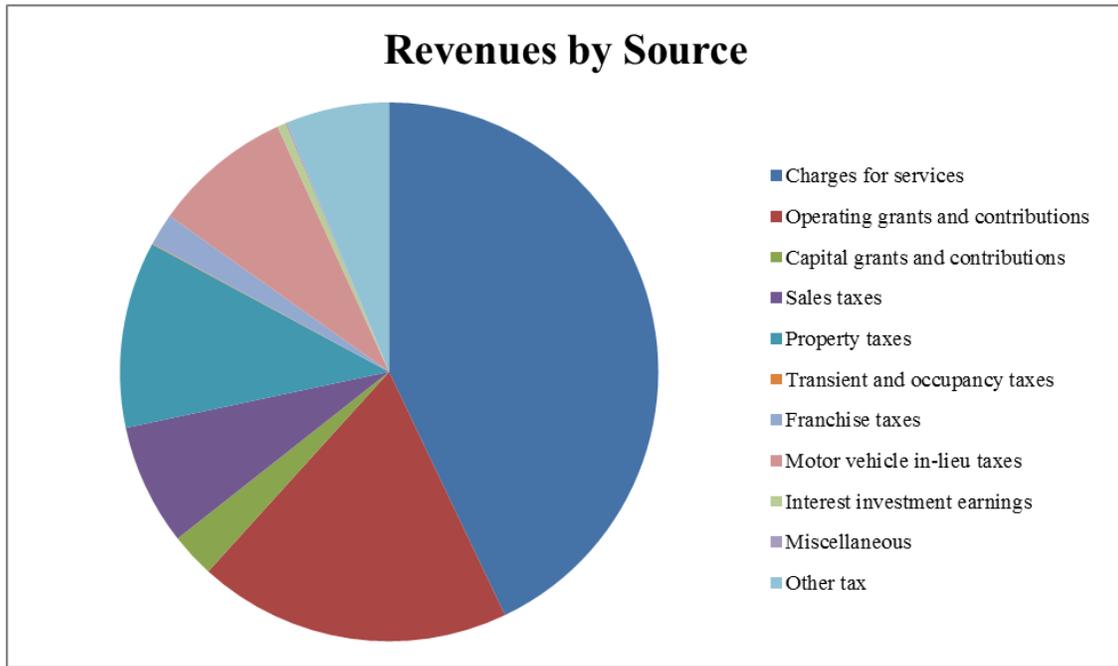
- Charges for services increased due to increases in plant and facility connection charges and administrative service fees.
- Operating grants and contributions increased due to new community and development CDBG grants.
- Capital grants and contributions remained consistent with the previous year.

General revenues slightly increased \$37,298 due to tax revenue increases.

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.

City of Shasta Lake
Revenues by Source
Governmental Activities
For the Year Ended June 30, 2017

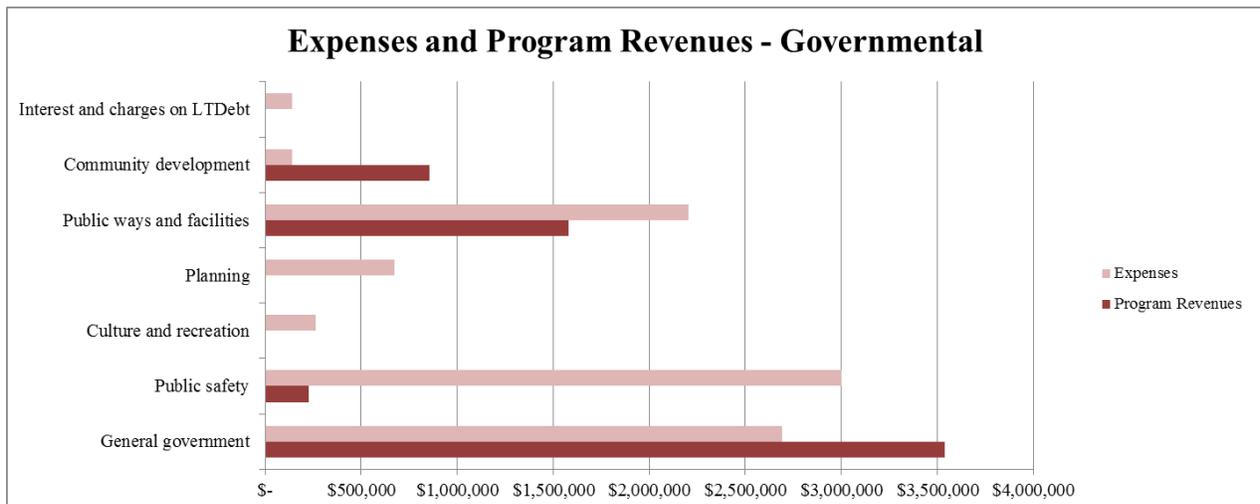
Revenues Source	Revenue	% of Total
Charges for services	\$ 4,139,253	42.92%
Operating grants and contributions	1,814,397	18.81%
Capital grants and contributions	256,889	2.66%
Sales taxes	701,611	7.27%
Property taxes	1,079,016	11.19%
Transient and occupancy taxes	4,525	0.05%
Franchise taxes	185,455	1.92%
Motor vehicle in-lieu taxes	807,631	8.37%
Interest investment earnings	49,391	0.51%
Miscellaneous	9,267	0.10%
Other tax	597,563	6.20%
Total	<u>\$ 9,644,998</u>	<u>100.00%</u>



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, 2017

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General government	\$ 2,691,742	29.53%	\$ 3,541,421	57.02%	\$ 849,679
Public safety	3,001,951	32.93%	228,344	3.68%	(2,773,607)
Culture and recreation	263,040	2.89%	2,597	0.04%	(260,443)
Planning	660,982	7.25%	-	0.00%	(660,982)
Public ways and facilities	2,214,871	24.30%	1,580,936	25.46%	(633,935)
Community development	140,777	1.54%	857,241	13.80%	716,464
Interest and charges on LT Debt	142,430	1.56%	-	0.00%	(142,430)
Total	\$ 9,115,793	100.00%	\$ 6,210,539	100.00%	\$ (2,905,254)



Expenses increased \$975,681 over the prior year. Over a quarter of this increase is related to capital outlay projects. Salary raises also increased expenditures. Another large expenditure was for the preparation and consulting for Cannabis business readiness.

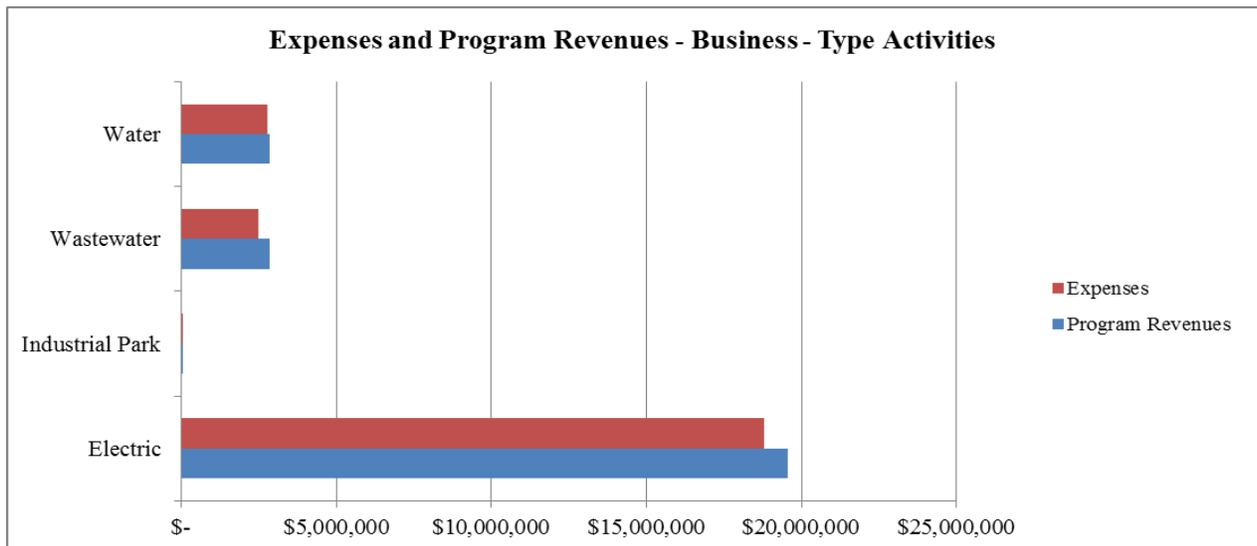
Business-type Activities - Business-type activities increased the City’s net position by \$2,777,472, compared to prior fiscal year’s decrease of \$196,631. Key elements of this change are as follows.

- Water Utility fund’s net position increased \$1,143,435, compared to the prior fiscal year’s decrease of \$635,761. The increase was primarily due to new water rates that went into effect based upon a consultant rate study.
- Electric Utility fund’s net position increased \$1,011,846, compared to the prior fiscal year’s increase of \$1,043,388. The increase is comparable to the prior year. The Electric Utility has had a delay in capital outlay projects and is due for a rate study for fiscal year ending June 30, 2018.
- Wastewater Utility fund’s net position increased \$766,491, compared to the prior fiscal year’s increase of \$28,765. This increase is temporary as the Wastewater Utility is currently undergoing the City’s largest capital outlay project – a renovation and update to the treatment plant.
- Industrial Park fund (other enterprise fund) decreased \$16,147, compared to the prior fiscal year’s decrease of \$694,625. In 2015-16 the major loss was due the sale of the majority of assets held by the industrial park.
- Internal Service fund’s net position decreased \$207,185, compared to the prior fiscal year’s increase of \$78,597. The decrease is due to a conscientious effort to spend down cash reserves in internal service funds, which are supported by all other funds.

As shown below, the Electric Utility fund had the greatest total expenses with \$18,798,716 out of \$24,148,616 in total business-type expenses. For all the business-type activities below, charges for services provide the largest share of revenues.

Expenses and Program Revenues
Business-Type Activities
For the Year Ended June 30, 2017

Funds	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Electric	\$ 18,798,738	77.85%	\$ 19,555,082	77.19%	\$ 756,344
Industrial Park	70,939	0.29%	47,952	0.19%	(22,987)
Wastewater	2,493,080	10.32%	2,865,235	11.31%	372,155
Water	2,785,859	11.54%	2,867,046	11.32%	81,187
Total	<u>\$ 24,148,616</u>	<u>100.00%</u>	<u>\$ 25,335,315</u>	<u>100.00%</u>	<u>\$ 1,186,699</u>



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 \$15,245,085 an increase of \$74,984 when compared to the prior fiscal year. Assigned fund balance (available for specific purposes) of \$4,497,103 consists of debt owed to the Electric Utility fund for the refinancing of debt mentioned above of \$515,451, obligations for accounts payable and payroll of \$632,511, and \$3,307,000 for city hall construction. The remainder of fund balance, \$9,755,512, 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 \$1,017,223. Total fund balance at the end of the year is \$6,112,501. The fund balance of the City's General fund increased by \$521,996 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 2016-17, including transfers in, were \$7,265,403, a decrease of \$1,536,624 compared to prior fiscal year. Key elements of the changes are as follows:

- Transfers in decreased primarily due to prior year funds being set aside for the construction of city hall.
- Tax revenue increased slightly primarily due to the special business tax and value of property tax.

General Fund Expenditures for fiscal year 2016-17, including transfers out were \$6,743,407, increased \$540,903 (8.7 percent). Key elements of the changes are as follows:

- Capital outlay increased by \$310,006 due to the building of the new City Hall and Community Center
- Salary increases due to employee raises.
- \$100,000 increase in law enforcement contract costs.

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 \$20,479,786. 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 **72**. Differences between the original expenditure budget and the final amended budget was an increase of \$120,641 for a total appropriations of \$6,853,805. Some of the major changes are summarized below:

- A \$50,000 increase for business improvement incentive projects approved by Council resolution.
- \$25,000 increase for Cannabis related business consultants.
- \$15,000 increase for IT contracts.
- \$58,000 decrease in various departments.
- And a \$100,000 increase for the John Beaudet project (an acceleration of funds from the 2017-18 budget).

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, 2017, amounts to \$84,017,396 (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:

- \$906,000 for the water dewatering project
- \$95,000 for a water retaining wall
- \$400,000 at the wastewater pump station
- \$646,000 towards design on the wastewater treatment plant
- \$326,000 for vehicles (\$77,000 for police)
- \$781,000 for the completion of the Ashby Road project
- \$566,000 for city hall and the community center project.

Changes in capital assets consist of the following:

Changes in Capital Assets

	Balance July 1, 2016	Additions	Deductions	Transfers/ Adjustments	Balance June 30, 2017
Governmental activities					
Land, easements & rts of way	\$ 3,700,494	\$ -	\$ -	\$ -	\$ 3,700,494
Infrastructure and land improvmts	51,735,018	-	-	781,336	52,516,354
Construction	9,193,303	-	-	-	9,193,303
Machinery & equipment	626,740	-	-	-	626,740
Vehicles	34,571	-	-	-	34,571
Construction in progress	672,446	1,626,268	-	(1,667,572)	631,142
Total	65,962,572	1,626,268	-	(886,236)	66,702,604
Less accumulated depreciation	(15,925,298)	(1,354,735)	-	-	(17,280,033)
Governmental activities Capital assets, net	50,037,274	271,533	-	(886,236)	49,422,571
Business-type activities					
Land	1,837,376	39,994	-	-	1,877,370
General and utility plant	67,470,028	70,277	-	-	67,540,305
Building and improvements	1,317,699	-	-	-	1,317,699
Equipment and vehicles	3,424,690	364,992	(173,169)	-	3,616,513
Construction in progress	1,352,472	1,309,008	-	886,236	3,547,716
Total	75,402,265	1,784,271	(173,169)	886,236	77,899,603
Less accumulated depreciation	(41,355,953)	(2,121,994)	173,169	-	(43,304,778)
Business-type activities Capital assets, net	34,046,312	(337,723)	-	886,236	34,594,825
Total	\$ 84,083,586	\$ (66,190)	\$ -	\$ -	\$ 84,017,396

Long-term Debt

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

	Balance July 1, 2016	Adjustments/ Additions	Deductions	Balance June 30, 2017
Governmental activities				
Loans payable	\$ 96,303	\$ -	\$ 8,877	\$ 87,426
Revenue bonds	2,924,000	-	102,000	2,822,000
Special assessment debt	36,000	-	2,000	34,000
Governmental activities Long-term debt	3,056,303	-	112,877	2,943,426
Business-type activities				
Loans payable	3,982,253	-	203,350	3,778,903
Capital leases payable	28,486	-	28,486	-
Special assessment debt	810,000	-	30,000	780,000
Business-type activities Long-term debt	4,820,739	-	261,836	4,558,903
Total	\$ 7,877,042	\$ -	\$ 374,713	\$ 7,502,329

At the end of the current fiscal year, the City had total debt outstanding of \$7,502,329. Of this amount, \$3,866,555 comprises debt backed by the full faith and credit of the government and \$814,000 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). Additional information on long-term liabilities can be found on pages **51-54** in the notes to the basic financial statements.

The City's total debt decreased by \$374,713 (4.8 percent) during the current fiscal year. The decrease is 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, 2017, 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 2017-2018 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, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 10,108,158	\$ 17,319,046	\$ 27,427,204
Receivables:			
Accounts, net	84,977	2,603,549	2,688,526
Interest	5,743	15,555	21,298
Taxes	345,970	18,631	364,601
Intergovernmental	231,597	621,199	852,796
Assessments	2,858,000	593,422	3,451,422
Deposits	4,428	638,770	643,198
Prepaid costs	3,360	624,759	628,119
Inventory	-	364,236	364,236
Internal balances	21,092	(21,092)	-
Restricted cash and investments	796,385	59,157	855,542
Loans receivable	4,896,494	-	4,896,494
Other postemployment benefits asset	-	1,826,165	1,826,165
Land held for resale	594,927	-	594,927
Capital assets:			
Non-depreciable	4,331,636	5,425,086	9,756,722
Depreciable, net	45,090,935	29,169,739	74,260,674
Total capital assets	<u>49,422,571</u>	<u>34,594,825</u>	<u>84,017,396</u>
Total Assets	<u>69,373,702</u>	<u>59,258,222</u>	<u>128,631,924</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	<u>579,594</u>	<u>1,176,409</u>	<u>1,756,003</u>
Total Deferred Outflows of Resources	<u>579,594</u>	<u>1,176,409</u>	<u>1,756,003</u>
LIABILITIES			
Accounts payable	254,967	597,297	852,264
Retention payable	29,568	-	29,568
Salaries and benefits payable	82,812	116,426	199,238
Due to other governments	370,357	478,405	848,762
Deposits payable	551,916	-	551,916
Interest payable	44,475	61,113	105,588
Unearned revenues	24,867	-	24,867
Long-term liabilities:			
Due within one year	247,691	509,501	757,192
Due in more than one year	2,827,557	4,318,790	7,146,347
Net pension liability	2,358,395	4,126,701	6,485,096
Other postemployment benefits liability	554,036	1,778	555,814
Total Liabilities	<u>7,346,641</u>	<u>10,210,011</u>	<u>17,556,652</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	<u>192,563</u>	<u>343,680</u>	<u>536,243</u>
Total Deferred Inflows of Resources	<u>192,563</u>	<u>343,680</u>	<u>536,243</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, 2017

NET POSITION	Governmental Activities	Business-Type Activities	Total
Net investment in capital assets	46,478,920	30,035,922	76,514,842
Restricted for:			
General government	1,286,708	-	1,286,708
Public safety	240	-	240
Public ways and facilities	2,058,506	-	2,058,506
Community development	5,822,767	-	5,822,767
Debt service	667,953	63,502	731,455
Unrestricted	6,098,998	19,781,516	25,880,514
Total Net Position	\$ 62,414,092	\$ 49,880,940	\$ 112,295,032

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, 2017

<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	\$ 2,691,742	\$ 3,501,343	\$ 40,078	\$ -
Public safety	3,001,951	128,344	100,000	-
Public ways and facilities	2,214,871	506,969	817,078	256,889
Planning	660,982	-	-	-
Culture and recreation	263,040	2,597	-	-
Community development	140,777	-	857,241	-
Interest on long-term debt	142,430	-	-	-
Total Governmental Activities	9,115,793	4,139,253	1,814,397	256,889
Business-type activities:				
Water	2,785,859	2,867,046	-	-
Electric	18,798,738	19,555,082	-	-
Wastewater	2,493,080	2,865,235	-	-
Industrial park	70,939	-	-	47,952
Total Business-Type Activities	24,148,616	25,287,363	-	47,952
Total	\$ 33,264,409	\$ 29,426,616	\$ 1,814,397	\$ 304,841

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

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

Governmental Activities	Business- Type Activities	Total
\$ 849,679	\$ -	\$ 849,679
(2,773,607)	-	(2,773,607)
(633,935)	-	(633,935)
(660,982)	-	(660,982)
(260,443)	-	(260,443)
716,464	-	716,464
(142,430)	-	(142,430)
<u>(2,905,254)</u>	<u>-</u>	<u>(2,905,254)</u>
-	81,187	81,187
-	756,344	756,344
-	372,155	372,155
-	(22,987)	(22,987)
<u>-</u>	<u>1,186,699</u>	<u>1,186,699</u>
<u>(2,905,254)</u>	<u>1,186,699</u>	<u>(1,718,555)</u>
1,079,016	-	1,079,016
701,611	-	701,611
4,525	-	4,525
185,455	-	185,455
597,563	-	597,563
807,631	-	807,631
49,391	66,178	115,569
9,267	158,264	167,531
(1,366,331)	1,366,331	-
<u>2,068,128</u>	<u>1,590,773</u>	<u>3,658,901</u>
(837,126)	2,777,472	1,940,346
<u>63,251,218</u>	<u>47,103,468</u>	<u>110,354,686</u>
<u>\$ 62,414,092</u>	<u>\$ 49,880,940</u>	<u>\$ 112,295,032</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, 2017

	<u>General</u>	<u>HOME</u>	<u>Wastewater Treatment Debt</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
ASSETS					
Cash and investments	\$ 6,729,268	\$ 109,856	\$ 253,714	\$ 3,015,320	\$ 10,108,158
Receivables:					
Accounts, net	79,671	-	-	5,306	84,977
Interest	5,154	-	589	-	5,743
Taxes	248,047	-	62,464	35,459	345,970
Intergovernmental	-	-	-	231,597	231,597
Assessments	-	-	2,824,000	34,000	2,858,000
Deposits	4,428	-	-	-	4,428
Prepaid costs	1,310	-	-	2,050	3,360
Due from other funds	254,150	-	-	-	254,150
Restricted cash and investments	537,741	-	258,644	-	796,385
Loans receivable	-	4,331,213	-	565,281	4,896,494
Land held for resale	-	-	-	594,927	594,927
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 7,859,769	\$ 4,441,069	\$ 3,399,411	\$ 4,483,940	\$ 20,184,189
LIABILITIES					
Accounts payable	\$ 215,137	\$ -	\$ -	\$ 39,830	\$ 254,967
Retention payable	27,833	-	-	1,735	29,568
Salaries and benefits payable	82,812	-	-	-	82,812
Due to other governments	337,127	-	-	33,230	370,357
Deposits payable	544,041	-	-	7,875	551,916
Due to other funds	-	-	-	224,150	224,150
Advances from other funds	515,451	-	-	-	515,451
Unearned revenues	24,867	-	-	-	24,867
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	1,747,268	-	-	306,820	2,054,088
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	2,824,000	61,016	2,885,016
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	-	-	2,824,000	61,016	2,885,016
FUND BALANCES					
Restricted	598,175	4,441,069	575,411	4,140,857	9,755,512
Assigned	4,497,103	-	-	-	4,497,103
Unassigned	1,017,223	-	-	(24,753)	992,470
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	6,112,501	4,441,069	575,411	4,116,104	15,245,085
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,859,769	\$ 4,441,069	\$ 3,399,411	\$ 4,483,940	\$ 20,184,189

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, 2017

Total Fund Balance - Total Governmental Funds	\$ 15,245,085
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	49,422,571
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds.	2,885,016
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 sheet.	(44,475)
Deferred outflows of resources related to pensions are not reported in the governmental funds.	579,594
Deferred inflows of resources related to pensions are not reported in the governmental funds.	(192,563)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Loans payable	(87,426)
Revenue bonds payable	(2,822,000)
Special assessment bonds	(34,000)
Compensated absences	(131,822)
Net pension liability	(2,358,395)
Other postemployment benefits liability	(554,036)
Internal service funds are used by management to charge the cost of certain activities, such as equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	<u>506,543</u>
Net Position of Governmental Activities	<u><u>\$ 62,414,092</u></u>

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

CITY OF SHASTA LAKE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	General	HOME	Wastewater Treatment Debt	Other Governmental Funds	Totals
REVENUES					
Taxes and assessments	\$ 2,545,804	\$ -	\$ 250,908	\$ 238,115	\$ 3,034,827
Licenses and permits	134,205	-	-	-	134,205
Fines and forfeitures	13,838	-	-	-	13,838
Use of money and property	22,596	201	3,020	23,574	49,391
Intergovernmental	854,904	-	-	1,633,340	2,488,244
Charges for services	3,671,721	-	-	319,489	3,991,210
Other revenues	9,267	-	-	-	9,267
Total Revenues	7,252,335	201	253,928	2,214,518	9,720,982
EXPENDITURES					
Current:					
General government	2,392,659	-	-	10,172	2,402,831
Public safety	2,876,402	-	-	100,000	2,976,402
Public ways and facilities	43,986	-	-	912,437	956,423
Planning	613,211	-	-	-	613,211
Culture and recreation	193,793	-	-	-	193,793
Community development	-	80	8,784	130,224	139,088
Debt service:					
Principal	-	-	102,000	10,877	112,877
Interest	9,487	-	129,275	6,248	145,010
Capital outlay	613,869	-	-	1,012,399	1,626,268
Total Expenditures	6,743,407	80	240,059	2,182,357	9,165,903
Excess of Revenues Over (Under) Expenditures	508,928	121	13,869	32,161	555,079
OTHER FINANCING SOURCES (USES)					
Transfers in	13,068	-	-	-	13,068
Transfers out	-	-	-	(493,163)	(493,163)
Total Other Financing Sources (Uses)	13,068	-	-	(493,163)	(480,095)
Net Change in Fund Balances	521,996	121	13,869	(461,002)	74,984
Fund Balances - Beginning	5,590,505	4,440,948	561,542	4,577,106	15,170,101
Fund Balances - Ending	\$ 6,112,501	\$ 4,441,069	\$ 575,411	\$ 4,116,104	\$ 15,245,085

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, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ 74,984
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	1,626,268
Less current year depreciation	(1,354,735)
Capital asset transfers	(886,236)
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	112,877
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	(75,984)
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	279,339
Deferred inflows of resources related to pensions	66,524
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	(128)
Change in net pension liability	(550,634)
Change in other postemployment benefits liability	(52,949)
Change in accrued interest on long-term debt	2,580
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.	
	(79,032)
Change in Net Position of Governmental Activities	\$ (837,126)

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, 2017

	Business-Type Activities - Enterprise Funds			
	Major Funds			Nonmajor
	Water	Electric	Wastewater	Industrial Park
ASSETS				
Current Assets:				
Cash and investments	\$ 2,114,546	\$ 11,105,353	\$ 3,463,361	\$ 260
Receivables:				
Accounts, net	419,584	1,854,999	328,428	538
Interest	4,345	8,399	2,811	-
Taxes	-	-	-	18,631
Intergovernmental	-	621,199	-	-
Assessments	-	-	-	593,422
Deposits	-	638,770	-	-
Prepaid costs	-	593,971	-	30,788
Inventory	4,108	360,128	-	-
Total Current Assets	2,542,583	15,182,819	3,794,600	643,639
Noncurrent Assets:				
Restricted cash and investments	59,157	-	-	-
Advances to other funds	-	985,554	-	-
Other postemployment benefits asset	368,028	797,403	-	-
Capital assets:				
Non-depreciable	1,568,767	265,196	2,198,427	1,392,696
Depreciable, net	10,366,213	9,447,345	8,156,571	-
Total Noncurrent Assets	12,362,165	11,495,498	10,354,998	1,392,696
Total Assets	14,904,748	26,678,317	14,149,598	2,036,335
DEFERRED OUTFLOWS OF RESOURCES				
Pension adjustments	121,685	606,985	112,962	-
Total Deferred Outflows of Resources	121,685	606,985	112,962	-

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

<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 16,683,520	\$ 635,526
2,603,549	-
15,555	-
18,631	-
621,199	-
593,422	-
638,770	-
624,759	-
364,236	-
<u>22,163,641</u>	<u>635,526</u>
59,157	-
985,554	-
1,165,431	660,734
5,425,086	-
<u>27,970,129</u>	<u>1,199,610</u>
<u>35,605,357</u>	<u>1,860,344</u>
<u>57,768,998</u>	<u>2,495,870</u>
<u>841,632</u>	<u>334,777</u>
<u>841,632</u>	<u>334,777</u>

CITY OF SHASTA LAKE
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-Type Activities - Enterprise Funds			
	Major Funds			Nonmajor
	Water	Electric	Wastewater	Industrial Park
LIABILITIES				
Current Liabilities:				
Accounts payable	39,454	441,728	83,918	2,935
Salaries and benefits payable	10,883	60,167	10,876	-
Due to other governments	66,286	395,054	-	-
Due to other funds	-	-	-	30,000
Interest payable	47,463	-	-	13,650
Compensated absences payable	13,507	148,896	30,792	-
Loans payable	210,113	-	-	-
Bonds payable	-	-	-	30,000
Total Current Liabilities	387,706	1,045,845	125,586	76,585
Noncurrent Liabilities:				
Advances from other funds	84,929	-	85,517	-
Loans payable	3,568,790	-	-	-
Bonds payable	-	-	-	750,000
Net pension liability	334,989	2,140,736	386,911	-
Other postemployment benefits liability	-	-	1,778	-
Total Noncurrent Liabilities	3,988,708	2,140,736	474,206	750,000
Total Liabilities	4,376,414	3,186,581	599,792	826,585
DEFERRED INFLOWS OF RESOURCES				
Pension adjustments	30,986	178,651	32,021	-
Total Deferred Inflows of Resources	30,986	178,651	32,021	-
NET POSITION				
Net investment in capital assets	8,156,077	9,712,541	10,354,998	612,696
Restricted for debt service	63,502	-	-	-
Unrestricted	2,399,454	14,207,529	3,275,749	597,054
Total Net Position	\$ 10,619,033	\$ 23,920,070	\$ 13,630,747	\$ 1,209,750

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

Net Position of Business-Type Activities

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

Totals	Governmental Activities Internal Service Funds
568,035	29,262
81,926	34,500
461,340	17,065
30,000	-
61,113	-
193,195	76,193
210,113	-
30,000	-
1,635,722	157,020
170,446	299,657
3,568,790	-
750,000	-
2,862,636	1,264,065
1,778	-
7,353,650	1,563,722
8,989,372	1,720,742
241,658	102,022
241,658	102,022
28,836,312	1,199,610
63,502	-
20,479,786	(191,727)
49,379,600	\$ 1,007,883
501,340	
\$ 49,880,940	

CITY OF SHASTA LAKE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds			
	Major Funds			Nonmajor
	Water	Electric	Wastewater	Industrial Park
OPERATING REVENUES				
Charges for services	\$ 2,867,046	\$ 19,555,082	\$ 2,865,235	\$ -
Other revenue	8,399	142,244	781	6,840
Total Operating Revenues	<u>2,875,445</u>	<u>19,697,326</u>	<u>2,866,016</u>	<u>6,840</u>
OPERATING EXPENSES				
Salaries and benefits	1,013,572	2,141,522	883,714	-
Administration	536,590	3,221,852	512,053	7,686
Power and water	296,851	11,849,969	216,932	13,811
Insurance	29,559	111,993	39,234	434
Supplies	91,218	61,347	69,266	-
Repair and maintenance	68,456	470,400	75,562	-
Professional services	85,466	74,673	95,939	7,794
Depreciation	491,686	780,135	564,131	-
Other expense	1,001	28,084	6,545	-
Total Operating Expenses	<u>2,614,399</u>	<u>18,739,975</u>	<u>2,463,376</u>	<u>29,725</u>
Operating Income (Loss)	<u>261,046</u>	<u>957,351</u>	<u>402,640</u>	<u>(22,885)</u>
NON-OPERATING REVENUES (EXPENSES)				
Gain (loss) on sale of capital assets	-	-	-	-
Interest income	6,353	54,495	5,330	-
Interest expense	(130,200)	-	(1,574)	(41,214)
Total Non-Operating Revenues (Expenses)	<u>(123,847)</u>	<u>54,495</u>	<u>3,756</u>	<u>(41,214)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>137,199</u>	<u>1,011,846</u>	<u>406,396</u>	<u>(64,099)</u>
Assessment revenue	-	-	-	47,952
Capital contributions	886,236	-	-	-
Transfers in	120,000	-	360,095	-
Change in Net Position	<u>1,143,435</u>	<u>1,011,846</u>	<u>766,491</u>	<u>(16,147)</u>
Total Net Position - Beginning	<u>9,475,598</u>	<u>22,908,224</u>	<u>12,864,256</u>	<u>1,225,897</u>
Total Net Position - Ending	<u>\$ 10,619,033</u>	<u>\$ 23,920,070</u>	<u>\$ 13,630,747</u>	<u>\$ 1,209,750</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
\$ 25,287,363	\$ 2,197,105
158,264	510
25,445,627	2,197,615
4,038,808	1,434,276
4,278,181	518,415
12,377,563	-
181,220	5,826
221,831	22,194
614,418	129,011
263,872	37,318
1,835,952	286,042
35,630	-
23,847,475	2,433,082
1,598,152	(235,467)
-	34,112
66,178	-
(172,988)	(5,830)
(106,810)	28,282
1,491,342	(207,185)
47,952	-
886,236	-
480,095	-
2,905,625	(207,185)
	1,215,068
	\$ 1,007,883
(128,153)	
\$ 2,777,472	

CITY OF SHASTA LAKE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds			
	Major Funds			Nonmajor Industrial Park
	Water	Electric	Wastewater	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,733,293	\$ 19,852,266	\$ 2,875,478	\$ 6,639
Receipts from interfund services	-	-	-	-
Payments to suppliers	(801,445)	(12,667,377)	(1,034,593)	(51,911)
Payments to interfund services	(1,106,760)	(2,554,728)	(440,763)	(7,686)
Payments to employees	(375,507)	(1,882,709)	(422,555)	-
Net Cash Provided (Used) by Operating Activities	449,581	2,747,452	977,567	(52,958)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Grants, assessments, and other receipts	-	-	-	56,673
Transfers from other funds	120,000	-	360,095	-
Interfund loans repaid	(11,200)	-	(11,277)	-
Interfund loans received	-	-	-	30,000
Interfund loans made	-	129,969	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	108,800	129,969	348,818	86,673
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(154,072)	(123,534)	(1,180,141)	-
Disposal of capital assets	-	-	-	-
Principal paid on debt	(203,350)	-	-	(30,000)
Interest paid on debt	(132,647)	-	(1,574)	(41,738)
Net Cash Provided (Used) by Capital and Related Financing Activities	(490,069)	(123,534)	(1,181,715)	(71,738)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	6,147	55,046	5,250	-
Net Cash Provided (Used) by Investing Activities	6,147	55,046	5,250	-
Net Increase (Decrease) in Cash and Cash Equivalents	74,459	2,808,933	149,920	(38,023)
Balances - Beginning	2,099,244	8,296,420	3,313,441	38,283
Balances - Ending	\$ 2,173,703	\$ 11,105,353	\$ 3,463,361	\$ 260

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

<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 25,467,676	\$ 510
-	2,197,105
(14,555,326)	(322,292)
(4,109,937)	(363,748)
<u>(2,680,771)</u>	<u>(1,298,201)</u>
4,121,642	213,374
56,673	-
480,095	-
(22,477)	(39,518)
30,000	-
<u>129,969</u>	<u>-</u>
674,260	(39,518)
(1,457,747)	(326,524)
-	34,112
(233,350)	(28,486)
<u>(175,959)</u>	<u>(5,828)</u>
(1,867,056)	(326,726)
66,443	-
66,443	-
2,995,289	(152,870)
<u>13,747,388</u>	<u>788,396</u>
<u>\$ 16,742,677</u>	<u>\$ 635,526</u>

CITY OF SHASTA LAKE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	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)	\$ 261,046	\$ 957,351	\$ 402,640	\$ (22,885)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	491,686	780,135	564,131	-
Decrease (increase) in:				
Accounts receivable	(142,152)	216,851	9,462	(201)
Intergovernmental receivable	-	(191,549)	-	-
Deposits	-	129,635	-	-
Prepaid costs	6,885	604,673	-	(30,788)
Inventory	-	11,609	-	-
Other postemployment benefits asset	(39,203)	1,123	20,744	-
Pension adjustment - deferred outflows	(75,599)	(340,524)	(66,596)	-
Increase (decrease) in:				
Accounts payable	(32,518)	27,174	(63,905)	916
Salaries and benefits payable	2,328	13,492	1,900	-
Due to other governments	(133,798)	(47,239)	-	-
Deposits payable	(2,600)	-	-	-
Compensated absences	1,368	37,957	2,126	-
Net pension liability	104,000	581,599	111,802	-
Other postemployment benefits liability	-	-	1,778	-
Pension adjustment - deferred inflows	8,138	(34,835)	(6,515)	-
Net Cash Provided (Used) by Operating Activities	\$ 449,581	\$ 2,747,452	\$ 977,567	\$ (52,958)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contribution of capital assets	\$ 886,235	\$ -	\$ -	\$ -

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

Totals	Governmental Activities Internal Service Funds
\$ 1,598,152	\$ (235,467)
1,835,952	286,042
83,960	-
(191,549)	-
129,635	-
580,770	-
11,609	-
(17,336)	12,698
(482,719)	(184,191)
(68,333)	9,659
17,720	6,001
(181,037)	17,065
(2,600)	-
41,451	(1,733)
797,401	338,210
1,778	-
(33,212)	(34,910)
\$ 4,121,642	\$ 213,374

\$ 886,235 \$ -

CITY OF SHASTA LAKE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Private Purpose Trust Fund (Successor Agency)	Agency Fund
ASSETS		
Current Assets:		
Cash and investments	\$ 590,361	\$ 323,803
Receivables:		
Taxes	-	730
	<hr/>	<hr/>
Total Current Assets	590,361	324,533
Noncurrent Assets:		
Land held for resale	743,536	-
	<hr/>	<hr/>
Total Noncurrent Assets	743,536	-
	<hr/>	<hr/>
Total Assets	1,333,897	324,533
LIABILITIES		
Current Liabilities:		
Accounts payable	-	174
Interest payable	11,036	-
Unearned revenue	415,716	-
Loans payable	280,000	-
Agency obligations	-	324,359
	<hr/>	<hr/>
Total Current Liabilities	706,752	324,533
Noncurrent Liabilities:		
Loans payable	3,085,000	-
	<hr/>	<hr/>
Total Noncurrent Liabilities	3,085,000	-
	<hr/>	<hr/>
Total Liabilities	3,791,752	324,533
NET POSITION		
Net position held in trust	(2,457,855)	-
	<hr/>	<hr/>
Total Net Position	\$ (2,457,855)	\$ -
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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, 2017

	Private Purpose Trust Fund (Successor Agency)
ADDITIONS	
Taxes and assessments	\$ 542,212
Interest income	2,082
Total Additions	544,294
DEDUCTIONS	
Administrative expenses	137,544
Interest expense	135,214
Loss on disposal of capital assets	29,146
Total Deductions	301,904
Change in Net Position	242,390
Net Position - Beginning	(2,700,245)
Net Position - Ending	\$ (2,457,855)

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, 2017

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, 2017

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. SCORE is composed of 18 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 Sacramento, 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, 2017

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, 2017

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 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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments

The City pools cash and investments of all funds. 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 monthly. 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 \$537,741 and in the Wastewater Treatment Debt fund for debt service of \$258,644. Restricted assets in the proprietary funds represent cash and investments held in the Water fund for debt service of \$59,157.

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, 2017, the allowance for doubtful accounts was \$695.

Receivables for business-type activities consist mainly of 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, 2017, the allowance for doubtful accounts was \$6,623.

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, 2017

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, 2017, are recorded as prepaid costs under both the accrual and modified accrual basis of accounting. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

J. Loans Receivable

A total of \$4,896,494 was recorded as loans receivable at June 30, 2017. 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, 2017

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, 2017

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 government-wide financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is recorded as an expense and related liability with the current portion estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature. 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.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 statement 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. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This statement improves the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

Statement No. 77, Tax Abatement Disclosures. This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenue.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans. This statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have certain characteristics.

Statement No. 80, Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14. This statement amends the blending requirements for the financial statement presentation of component units of all state and local governments.

Statement No. 82, Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73. This statement addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and 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 specifically addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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 \$24,753, 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 \$183,308, which is expected to be eliminated in future years through internal service reimbursements.

B. Rebutable 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, 2017, does not expect to incur a liability.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2017, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 10,904,543
Business-Type activities	17,378,203
Private Purpose trust fund	590,361
Agency fund	<u>323,803</u>
Total Cash and Investments	<u>\$ 29,196,910</u>

As of June 30, 2017, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 2,100
Deposits (less outstanding checks)	<u>2,653,806</u>
Total Cash	<u>2,655,906</u>
Investments:	
In City's pool	<u>26,541,004</u>
Total Investments	<u>26,541,004</u>
Total Cash and Investments	<u>\$ 29,196,910</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 \$2,653,806 and the bank balance was \$2,812,528. 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 of 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, 2017

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

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

The City's position in external investment pools is in 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, 2017

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

At June 30, 2017, 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	\$ 7,062,733	\$ 7,062,733	\$ -	\$ -
U.S. Treasuries	5,065,261	5,065,261	-	-
Corporate Notes	4,751,408	4,751,408	-	-
Asset-Backed Securities	1,160,260	1,160,260	-	-
Government Asset-Backed Securities	<u>32</u>	<u>32</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	18,039,694	<u>\$ 18,039,694</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pools				
Shasta County Investment Pool	258,644			
Local Agency Investment Fund (LAIF)	<u>8,242,666</u>			
Total Investments	<u>\$ 26,541,004</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, 2017

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2017, 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	0.875-1.875%	\$ 1,773,650	\$ 5,289,083	\$ 7,062,733	1.59
U.S. Treasuries	0.625-8.875%	252,338	4,812,923	5,065,261	2.16
Asset-Backed Securities	0.920-1.500%	33,507	1,126,753	1,160,260	1.98
Government Asset-Backed Securities	9.500%	-	32	32	3.14
Corporate Notes	1.000-2.550%	2,114,680	2,636,728	4,751,408	1.46
Shasta County Investment Pool	Variable	258,644	-	258,644	-
Local Agency Investment Fund (LAIF)	Variable	<u>8,242,666</u>	<u>-</u>	<u>8,242,666</u>	<u>-</u>
Total Investments		<u>\$ 12,675,485</u>	<u>\$ 13,865,519</u>	<u>\$ 26,541,004</u>	<u>1.18</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, 2017

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	-	-	-	7.37%
Federal Farm Credit Bank	-	-	-	5.39%
Federal Home Loan Bank	-	-	-	8.45%
Federal Home Loan Mortgage Corporation	-	-	-	5.41%
U.S. Treasuries	-	-	-	19.08%
Corporate Notes	A	A	A1	1.78%
Corporate Notes	A	A+	A1	4.85%
Corporate Notes	A	AA-	A1	2.15%
Corporate Notes	A	A	A2	3.84%
Corporate Notes	A	AA+	AA1	0.81%
Corporate Notes	A	AA-	AA2	0.85%
Corporate Notes	A	AA	AA2	0.76%
Corporate Notes	A	AA-	AA3	0.85%
Corporate Notes	A	AAA	AAA	1.18%
Corporate Notes	A	A	NR	0.85%
Asset-Backed Securities	A	AAA	AAA	1.31%
Asset-Backed Securities	A	NR	AAA	2.61%
Asset-Backed Securities	A	AAA	NR	0.45%
Government Assistance	N/A	NR	NR	0.00%
Shasta County Investment Pool	N/A	NR	NR	0.97%
Local Agency Investment Fund (LAIF)	N/A	NR	NR	31.04%
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, 2017, that represent 5 percent or more of total City investments are as follows:

Investment Type	Amount Invested	% of Investments
Federal National Mortgage Association	\$ 1,956,759	7.37%
Federal Farm Credit Bank	1,429,377	5.39%
Federal Home Loan Bank	2,241,511	8.45%
Federal Home Loan Mortgage Corporation	1,435,086	5.41%

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

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 Shasta 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, 2017, the City's investment in LAIF valued at amortized cost was \$8,242,666 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 \$77.5 billion. Of that amount, 97.11 percent is invested in non-derivative financial products and 2.89 percent in structured notes and asset-backed securities.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Retirements	Transfers	Balance June 30, 2017
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land, easements, and right of way	\$ 3,700,494	\$ -	\$ -	\$ -	\$ 3,700,494
Construction in progress	<u>672,446</u>	<u>1,626,268</u>	<u>-</u>	<u>(1,667,572)</u>	<u>631,142</u>
Total Capital Assets, Not Being Depreciated	<u>4,372,940</u>	<u>1,626,268</u>	<u>-</u>	<u>(1,667,572)</u>	<u>4,331,636</u>
Capital Assets, Being Depreciated:					
Infrastructure and land improvements	51,735,018	-	-	781,336	52,516,354
Buildings and improvements	9,193,303	-	-	-	9,193,303
Machinery and equipment	626,740	-	-	-	626,740
Vehicles	<u>34,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,571</u>
Total Capital Assets, Being Depreciated	<u>61,589,632</u>	<u>-</u>	<u>-</u>	<u>781,336</u>	<u>62,370,968</u>
Less Accumulated Depreciation For:					
Infrastructure and land improvements	(13,977,375)	(1,045,343)	-	(234,796)	(15,257,514)
Buildings and improvements	(1,457,299)	(285,913)	-	234,796	(1,508,416)
Machinery and equipment	(456,053)	(23,479)	-	-	(479,532)
Vehicles	<u>(34,571)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,571)</u>
Total Accumulated Depreciation	<u>(15,925,298)</u>	<u>(1,354,735)</u>	<u>-</u>	<u>-</u>	<u>(17,280,033)</u>
Total Capital Assets, Being Depreciated, Net	<u>45,664,334</u>	<u>(1,354,735)</u>	<u>-</u>	<u>781,336</u>	<u>45,090,935</u>
Governmental Activities Capital Assets, Net	<u>\$ 50,037,274</u>	<u>\$ 271,533</u>	<u>\$ -</u>	<u>(\$ 886,236)</u>	<u>\$ 49,422,571</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 4: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2016	Additions	Retirements	Transfers	Balance June 30, 2017
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,837,376	\$ 39,994	\$ -	\$ -	\$ 1,877,370
Construction in progress	<u>1,352,472</u>	<u>1,309,008</u>	<u>-</u>	<u>886,236</u>	<u>3,547,716</u>
Total Capital Assets, Not Being Depreciated	<u>3,189,848</u>	<u>1,349,002</u>	<u>-</u>	<u>886,236</u>	<u>5,425,086</u>
Capital Assets, Being Depreciated:					
General and utility plant	67,470,028	70,277	-	-	67,540,305
Buildings and improvements	1,317,699	-	-	-	1,317,699
Equipment and vehicles	<u>3,424,690</u>	<u>364,992</u>	<u>(173,169)</u>	<u>-</u>	<u>3,616,513</u>
Total Capital Assets, Being Depreciated	<u>72,212,417</u>	<u>435,269</u>	<u>(173,169)</u>	<u>-</u>	<u>72,474,517</u>
Less Accumulated Depreciation For:					
General and utility plant	(38,315,687)	(1,787,294)	-	-	(40,102,981)
Buildings and improvements	(586,145)	(35,787)	-	-	(621,932)
Equipment and vehicles	<u>(2,454,121)</u>	<u>(298,913)</u>	<u>173,169</u>	<u>-</u>	<u>(2,579,865)</u>
Total Accumulated Depreciation	<u>(41,355,953)</u>	<u>(2,121,994)</u>	<u>173,169</u>	<u>-</u>	<u>(43,304,778)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,856,464</u>	<u>(1,686,725)</u>	<u>-</u>	<u>-</u>	<u>29,169,739</u>
Business-Type Activities Capital Assets, Net	<u>\$ 34,046,312</u>	<u>(\$ 337,723)</u>	<u>\$ -</u>	<u>\$ 886,236</u>	<u>\$ 34,594,825</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 13,887
Public safety	6,040
Public ways and facilities	1,262,371
Planning	3,190
Culture and recreation	<u>69,247</u>
Total Depreciation Expense – Governmental Functions	<u>\$ 1,354,735</u>

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

Water	\$ 491,686
Electric	780,135
Wastewater	564,131
Internal Service Funds	<u>286,042</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 2,121,994</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 4: CAPITAL ASSETS (CONTINUED)

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on road projects, community center remodel and the new City Hall. Construction in progress for business-type 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, 2017:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 254,150	\$ -
Nonmajor Governmental Funds	-	224,150
Nonmajor Enterprise Fund	-	30,000
Total	<u>\$ 254,150</u>	<u>\$ 254,150</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, 2017:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$ -	\$ 515,451
Water	-	84,929
Electric	985,554	-
Wastewater	-	85,517
Internal Service Funds	-	299,657
Total	<u>\$ 985,554</u>	<u>\$ 985,554</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

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, 2017:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 13,068	\$ -
Nonmajor Governmental Funds	-	493,163
Water	120,000	-
Wastewater	360,095	-
Total	<u>\$ 493,163</u>	<u>\$ 493,163</u>

NOTE 6: UNEARNED/UNAVAILABLE REVENUES

At June 30, 2017, components of unearned and unavailable revenues were as follows:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
General Fund			
Utility bill prepayments	\$ 24,867	\$ -	\$ 24,867
Wastewater Treatment Debt			
Special assessments receivable	-	2,824,000	2,824,000
Nonmajor Governmental Funds			
Grants receivable	-	27,016	27,016
Special assessments receivable	-	34,000	34,000
Total	<u>\$ 24,867</u>	<u>\$ 2,885,016</u>	<u>\$ 2,909,883</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2016</u>	<u>Adjustments/ Additions</u>		<u>Retirements</u>	<u>Balance June 30, 2017</u>	<u>Amounts Due Within One Year</u>
Governmental Activities						
Loans	\$ 96,303	\$ -	(\$ 8,877)		\$ 87,426	\$ 8,869
Revenue Bonds	2,924,000	-	(102,000)		2,822,000	105,000
Special Assessment Bonds	36,000	-	(2,000)		34,000	2,000
Compensated Absences	<u>131,694</u>	<u>129,295</u>	<u>(129,167)</u>		<u>131,822</u>	<u>131,822</u>
Total Governmental Activities	<u>\$ 3,187,997</u>	<u>\$ 129,295</u>	<u>(\$ 242,044)</u>		<u>\$ 3,075,248</u>	<u>\$ 247,691</u>
Business-Type Activities						
Loans	\$ 3,982,253	\$ -	(\$ 203,350)		\$ 3,778,903	\$ 210,113
Special Assessment Bonds	810,000	-	(30,000)		780,000	30,000
Capital Lease Obligation	28,486	-	(28,486)		-	-
Compensated Absences	<u>229,670</u>	<u>241,747</u>	<u>(202,029)</u>		<u>269,388</u>	<u>269,388</u>
Total Business-Type Activities	<u>\$ 5,050,409</u>	<u>\$ 241,747</u>	<u>(\$ 463,865)</u>		<u>\$ 4,828,291</u>	<u>\$ 509,501</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. Individual issues of debt payable outstanding at June 30, 2017, 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.

\$ 87,426

Total Loans

87,426

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.

2,510,000

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Revenue Bonds: (Continued)

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.

312,000

Total Revenue Bonds

2,822,000

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.

34,000

Total Special Assessment Bonds

34,000

Total Governmental Activities

\$ 2,943,426

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.

\$ 3,669,006

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.

109,897

Total Loans

3,778,903

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.

780,000

Total Special Assessment Bonds

780,000

Total Business-Type Activities

\$ 4,558,903

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

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.

Governmental Activities

Year Ended June 30	Loans		
	Principal	Interest	Total
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	9,789	1,165	10,954
2023-2026	<u>40,810</u>	<u>2,318</u>	<u>43,128</u>
Total	<u>\$ 87,426</u>	<u>\$ 10,503</u>	<u>\$ 97,929</u>

Year Ended June 30	Revenue Bonds		
	Principal	Interest	Total
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	126,000	104,130	230,130
2023-2027	719,000	428,423	1,147,423
2028-2032	891,000	247,657	1,138,657
2033-2035	<u>639,000</u>	<u>44,168</u>	<u>683,168</u>
Total	<u>\$ 2,822,000</u>	<u>\$ 1,293,527</u>	<u>\$ 4,115,527</u>

Year Ended June 30	Special Assessment Debt		
	Principal	Interest	Total
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	2,000	1,150	3,150
2023-2027	13,000	3,825	16,825
2028-2030	<u>11,000</u>	<u>325</u>	<u>11,325</u>
Total	<u>\$ 34,000</u>	<u>\$ 10,900</u>	<u>\$ 44,900</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Year Ended June 30	Loans		
	Principal	Interest	Total
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	176,093	88,684	264,777
2023-2027	963,806	358,814	1,322,620
2028-2032	1,118,944	201,326	1,320,270
2033-2035	756,104	34,819	790,923
Total	\$ 3,778,903	\$ 1,095,092	\$ 4,873,995

Year Ended June 30	Special Assessment Bonds		
	Principal	Interest	Total
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	40,000	32,550	72,550
2023-2027	230,000	128,627	358,627
2028-2032	370,000	61,165	431,165
Total	\$ 780,000	\$ 372,231	\$ 1,152,231

NOTE 8: NET POSITION

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

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

Net Position Restricted by Enabling Legislation

The government-wide statement of net position reports \$9,899,676 of restricted net position, of which \$5,624,195 is restricted by enabling legislation.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 8: NET POSITION (CONTINUED)

Net Position Flow Assumption

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

NOTE 9: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2017, 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, 2017

NOTE 9: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2017, were distributed as follows:

	General	HOME	Wastewater Treatment Debt	Other Govern- mental Funds	Total
Restricted For:					
Customer deposits	\$ 529,581	\$ -	\$ -	\$ -	\$ 529,581
Information technology	68,594	-	-	-	68,594
HOME	-	4,441,069	-	-	4,441,069
Wastewater treatment debt	-	-	575,411	-	575,411
Law enforcement COPS	-	-	-	240	240
Water P&FCC charges	-	-	-	6,333	6,333
State trafficway	-	-	-	2,058,506	2,058,506
Electric P&FCC charges	-	-	-	246,735	246,735
CDBG housing rehabilitation	-	-	-	145,777	145,777
Wastewater P&FCC charges	-	-	-	272,028	272,028
Parks P&FCC charges	-	-	-	163,437	163,437
Former RDA low/mod housing	-	-	-	1,155,259	1,155,259
Riddle Road water bond	-	-	-	7,288	7,288
Davis-Grunsky Act loan	-	-	-	85,254	85,254
Subtotal	<u>598,175</u>	<u>4,441,069</u>	<u>575,411</u>	<u>4,140,857</u>	<u>9,755,512</u>
Assigned for:					
CalPERS debt	515,452	-	-	-	515,452
Accounts payable	234,956	-	-	-	234,956
Payroll	60,428	-	-	-	60,428
Due to other governments	337,127	-	-	-	337,127
Unavailable revenues	4,000	-	-	-	4,000
Retiree health - EE Contr.	23,680	-	-	-	23,680
City Hall construction	3,307,000	-	-	-	3,307,000
Developer deposits	<u>14,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,460</u>
Subtotal	<u>4,497,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,497,103</u>
Unassigned	<u>1,017,223</u>	<u>-</u>	<u>-</u>	<u>(24,753)</u>	<u>992,470</u>
Total	<u>\$ 6,112,501</u>	<u>\$ 4,441,069</u>	<u>\$ 575,411</u>	<u>\$ 4,116,104</u>	<u>\$ 15,245,085</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, 2017

NOTE 9: 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 10: 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, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the City added retirement tiers for 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 Rate Tiers 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 the 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, 2017

NOTE 10: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Each Rate Tier's specific provisions and benefits in effect at June 30, 2017, 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	12.657%	8.000%	0.000%
Miscellaneous - Second Level	7.612%	7.000%	0.000%
Miscellaneous PEPRA	6.555%	6.250%	0.000%

For the year ended June 30, 2017, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 604,944	\$ -

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

As of June 30, 2017, the City reported net pension liabilities for its proportionate share of the net pension liability as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 6,485,096
Total Net Pension Liability	<u>\$ 6,485,096</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 10: 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, 2016, 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, 2015 rolled forward to June 30, 2016 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability as of June 30, 2015 and 2016 was as follows:

	Proportion <u>June 30, 2015</u>	Proportion <u>June 30, 2016</u>	Change - <u>Increase (Decrease)</u>
Miscellaneous	0.06991%	0.07495%	0.00504

For the year ended June 30, 2017, the City recognized pension expense of \$605,350. At June 30, 2017, 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	\$ 673,517	\$ -
Changes of assumptions	-	(206,580)
Differences between expected and actual experience	16,876	-
Differences between projected and actual earnings on pension plan investments	1,065,610	-
Difference between City contributions and proportionate share of contributions	-	(307,392)
Adjustment due to differences in proportions	-	(22,271)
Total	<u>\$ 1,756,003</u>	<u>(\$ 536,243)</u>

\$673,517 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, 2018. 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>	
2018	(\$ 85,245)
2019	(60,367)
2020	417,571
2021	274,284
Thereafter	-
Total	<u>\$ 546,243</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 10: 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, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
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, 2015 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

There were no changes in assumptions during the measurement period ended June 30, 2016. Deferred inflows for changes of assumptions presented represents the unamortized portion of the changes of assumptions related to the prior measurement periods.

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, 2017

NOTE 10: 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	20.0%	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	1.0%	-0.55%	-1.05%
Total	<u>100.0%</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</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Miscellaneous	\$ 10,465,659	\$ 6,485,096	\$ 3,195,366

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 10: 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 the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 11: 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 2017, the City contributed \$473,436 to the plan, including \$303,320 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	\$ 495,678
Interest on net OPEB obligation	(88,866)
Adjustment to annual required contribution	<u>116,715</u>
Annual OPEB cost	523,527
Contributions made:	
Pay as you go contribution	(303,320)
Additional funding contribution	<u>(170,118)</u>
Increase (Decrease) in net OPEB obligation	50,089
Net OPEB Obligation (Asset) Beginning	<u>(1,320,440)</u>
Net OPEB Obligation (Asset) Ending	<u><u>(\$ 1,270,351)</u></u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 11: 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	\$ 1,826,165
Other postemployment benefits liability	(<u>555,814</u>)
Net OPEB asset	<u>\$ 1,270,351</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, 2015	\$ 331,189	88.4%	(\$ 1,357,504)
June 30, 2016	341,458	89.1%	(1,320,440)
June 30, 2017	523,527	90.4%	(1,270,351)

D. Funded Status and Funding Progress

As of July 1, 2015 the most recent actuarial valuation date, the plan was 73.3 percent funded. The actuarial accrued liability was \$7,750,905 and the actuarial value of assets was \$5,684,162, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,066,743. The covered payroll (annual payroll of employees covered by the plan) was \$3,292,482, and the ratio of the UAAL to the covered payroll was 62.8 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, 2017

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

E. Actuarial Methods and Assumptions (Continued)

In the July 1, 2015 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 6.73 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 7.5 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after seven years. Both rates included a 2.75 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, 2017, was twenty-one years.

NOTE 12: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural 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 13: JOINT VENTURES

The City participates in the following two joint ventures:

- Northern California Power Agency (NCPA)
- Balancing Authority of Northern California (BANC)

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 13: JOINT VENTURES (CONTINUED)

A. NCPA

Northern California Power Agency

The City is a member of Northern California Power Agency (NCPA), a joint powers agency which operates under a joint powers agreement among sixteen public agencies. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and enter into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

B. Balancing Authority of Northern California

The Balancing Authority of Northern California (BANC) is a joint powers agency consisting of the Sacramento Municipal Utility District (SMUD), Modesto Irrigation District (MID), Roseville Electric, Redding Electric Utility (REU) and the City of Shasta Lake as its founding members. On June 26, 2013, BANC members voted to accept Trinity Public Utilities District (TPUD) as a new member. REU participates in BANC through the Western sub-balancing authority. BANC assumed the balancing authority responsibilities on May 1, 2011, from SMUD that include the matching of generation to load and coordinating system operations with neighboring Balancing Authorities. The Central Valley project (CVP) generation, owned by the Bureau of Reclamation and Western Area Power Administration's transmission facilities along with the 500 kV California Oregon Transmission Project (COTP), are included among other resources within the BANC footprint. BANC members contract for about 40 percent of the CVP hydroelectric resource. The COTP is jointly owed by several parties including WAPA and BANC members via the Transmission Agency of Northern California (TANC).

BANC provides its members an ownership voice in all balancing authority decisions consistent with the principle of maximizing consumer value. It also provides members a unified voice and representation in topics pertaining to Balancing Area matters. The structure provides flexibility to expand potential cost-saving opportunities by sharing future facility costs and clarifies roles and responsibilities of the members regarding reliability standard compliance.

The member's rights and expense-sharing is based on the participation percentages in most BANC activities. BANC member's participation percentages are based on the member's retail sales and stands at 68.8 percent, 16.5 percent, 7.8 percent, 5.0 percent, 1.2 percent and 0.7 percent for SMUD, MID, Roseville, REU, Shasta Lake and TPUD respectively. These participation percentages can be updated as the need requires.

Complete separate financial statements for each of the joint ventures in which the City participates may be obtained from the City of Shasta Lake Finance Department, 1650 Stanton Drive, Shasta Lake, California 96019.

NOTE 14: OTHER INFORMATION

A. Commitments and Contingencies

The City is constructing a new city hall and community center. The total estimated cost to complete the construction is \$6,896,396. At June 30, 2017, total payments on the contracts were \$566,628.

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 14: OTHER INFORMATION (CONTINUED)

A. Commitments and Contingencies (Continued)

The City is constructing a facility upgrade for the Wastewater Treatment Facility. The total estimated cost to complete the construction is \$21,000,000. At June 30, 2017, total payments on the contracts were \$1,073,587.

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.

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, 2017:

<u>Type of Indebtedness</u>	<u>Balance</u>	<u>Additions/</u>	<u>Retirements</u>	<u>Balance</u>	<u>Amounts</u>
	<u>July 1, 2016</u>	<u>Adjustments</u>		<u>June 30, 2017</u>	<u>Due Within</u>
					<u>One Year</u>
Tax Allocation Bonds	\$ 3,635,000	\$ -	(\$ 270,000)	\$ 3,365,000	\$ 280,000
Total	<u>\$ 3,635,000</u>	<u>\$ -</u>	<u>(\$ 270,000)</u>	<u>\$ 3,365,000</u>	<u>\$ 280,000</u>

Individual issues of debt payable outstanding at June 30, 2017, 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>\$ 3,365,000</u>
Total Tax Allocation Bonds	<u>\$ 3,365,000</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>
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	325,000	81,531	406,531
2023-2027	<u>1,865,000</u>	<u>170,265</u>	<u>2,035,265</u>
Total	<u>\$ 3,365,000</u>	<u>\$ 702,983</u>	<u>\$ 4,067,983</u>

CITY OF SHASTA LAKE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 14: OTHER INFORMATION (CONTINUED)

C. Subsequent Events

The City is to issue certificates of participation (COP) in the amount of \$2,500,000, with interest ranging up to 3.25 percent during the fiscal year ended June 30, 2018 for the City Hall/Community Center Construction Project.

The City is financing the Wastewater Treatment Facility Upgrade Project through the State Water Resources Control Board from the sale of obligations in the amount of \$15,000,000, with interest of 1.7 percent and payable over 30 years. A portion of the project is being funded by a \$6,000,000 grant from the State Water Board.

The City has been awarded a planning grant with the California State Water Resources Control Board for the Force Main Replacement Project in the amount of \$449,000. The project is expected to begin during the fiscal year ended June 30, 2018.

Management has evaluated events subsequent to June 30, 2017 through December 5, 2017, the date on which the financial statements were available for issuance and has determined no other subsequent events requiring disclosure have occurred.

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**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, 2017
Last 10 Years*

Measurement Date	2013/14	2014/15	2015/16
Miscellaneous Plan			
Proportion of the net pension liability	0.07059%	0.06990%	0.07495%
Proportionate share of the net pension liability	\$ 4,392,836	\$ 4,798,851	\$ 6,485,096
Covered employee payroll	3,288,389	3,191,503	3,310,634
Proportionate share of the net pension liability as a percentage of covered employee payroll	133.59%	150.36%	195.89%
Plan fiduciary net position as a percentage of the total pension liability	83.80%	82.80%	78.07%

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

CITY OF SHASTA LAKE
Required Supplementary Information
City Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2017
Last 10 Years*

Fiscal Year	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
Miscellaneous Plan			
Contractually required contribution (actuarially determined)	\$ 539,884	\$ 373,644	\$ 405,356
Contributions in relation to the actuarially determined contributions	<u>(2,502,238)</u>	<u>(604,944)</u>	<u>(670,799)</u>
Contribution deficiency (excess)	<u>\$ (1,962,354)</u>	<u>\$ (231,300)</u>	<u>\$ (265,443)</u>
Covered employee payroll	\$ 3,191,503	\$ 3,310,634	\$ 3,655,228
Contributions as a percentage of covered employee payroll	78.40%	18.27%	18.35%

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

CITY OF SHASTA LAKE
Required Supplementary Information
Notes to City Pension Plan
For the Year Ended June 30, 2017

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

Change of assumptions: There were no changes in assumptions.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

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

Valuation date	June 30, 2013
Actuarial cost method	Entry-Age Normal
Amortization method/period	For details, see June 30, 2013 Funding Valuation report
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry-age and service
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, 2017

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 three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll for the City Other Postemployment Benefit Plan.

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
July 1, 2011	\$ 3,617,042	\$ 4,972,624	\$ 1,355,582	72.7%	\$ 2,974,135	45.6%
July 1, 2013	4,687,512	5,202,779	515,267	90.0%	3,431,120	15.02%
July 1, 2015	5,684,162	7,750,905	2,066,743	73.3%	3,292,482	62.8%

CITY OF SHASTA LAKE
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 2,331,200	\$ 2,331,200	\$ 2,545,804	\$ 214,604
Licenses and permits	117,000	117,000	134,205	17,205
Fines and forfeitures	20,050	15,050	13,838	(1,212)
Use of money and property	15,000	25,000	22,596	(2,404)
Intergovernmental	807,500	847,578	854,904	7,326
Charges for services	3,577,916	3,607,916	3,671,721	63,805
Other revenues	25,300	25,300	9,267	(16,033)
Total Revenues	6,893,966	6,969,044	7,252,335	283,291
EXPENDITURES				
Current:				
General government	2,571,210	2,650,137	2,392,659	257,478
Public safety	3,095,254	3,095,254	2,876,402	218,852
Public ways and facilities	51,492	57,642	43,986	13,656
Planning	711,406	751,213	613,211	138,002
Culture and recreation	303,802	279,759	193,793	85,966
Community development	-	19,800	-	19,800
Debt service:				
Principal	66,970	66,970	-	66,970
Interest	12,000	12,000	9,487	2,513
Capital outlay	5,847,708	5,957,000	613,869	5,343,131
Total Expenditures	12,659,842	12,889,775	6,743,407	6,146,368
Excess of Revenues Over (Under) Expenditures	(5,765,876)	(5,920,731)	508,928	6,429,659
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	13,068	13,068
Transfers out	(34,300)	(34,300)	-	34,300
Total Other Financing Sources (Uses)	(34,300)	(34,300)	13,068	47,368
Net Change in Fund Balance	(5,800,176)	(5,955,031)	521,996	6,477,027
Fund Balance - Beginning	5,590,505	5,590,505	5,590,505	-
Fund Balance - Ending	\$ (209,671)	\$ (364,526)	\$ 6,112,501	\$ 6,477,027

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
HOME - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 201	\$ 201
Intergovernmental	40,500	40,500	-	(40,500)
Other revenue	86,000	86,000	-	(86,000)
Total Revenues	<u>126,500</u>	<u>126,500</u>	<u>201</u>	<u>(126,299)</u>
EXPENDITURES				
Current:				
Community development	126,500	248,942	80	248,862
Total Expenditures	<u>126,500</u>	<u>248,942</u>	<u>80</u>	<u>248,862</u>
Net Change in Fund Balance	-	(122,442)	121	122,563
Fund Balance - Beginning	<u>4,440,948</u>	<u>4,440,948</u>	<u>4,440,948</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,440,948</u>	<u>\$ 4,318,506</u>	<u>\$ 4,441,069</u>	<u>\$ 122,563</u>

CITY OF SHASTA LAKE
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2017

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	\$ 1,123
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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, 2017

	Special Revenue Funds	Debt Service Funds	Totals
ASSETS			
Cash and investments	\$ 2,925,439	\$ 89,881	\$ 3,015,320
Receivables:			
Accounts, net	5,306	-	5,306
Taxes	34,848	611	35,459
Intergovernmental	231,597	-	231,597
Assessments	-	34,000	34,000
Prepaid costs	-	2,050	2,050
Loans receivable	565,281	-	565,281
Land held for resale	594,927	-	594,927
Total Assets	\$ 4,357,398	\$ 126,542	\$ 4,483,940
LIABILITIES			
Accounts payable	\$ 39,830	\$ -	\$ 39,830
Retention payable	1,735	-	1,735
Due to other governments	33,230	-	33,230
Deposits payable	7,875	-	7,875
Due to other funds	224,150	-	224,150
Total Liabilities	306,820	-	306,820
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	27,016	34,000	61,016
Total Deferred Inflows of Resources	27,016	34,000	61,016
FUND BALANCES			
Restricted	4,048,315	92,542	4,140,857
Unassigned	(24,753)	-	(24,753)
Total Fund Balances	4,023,562	92,542	4,116,104
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,357,398	\$ 126,542	\$ 4,483,940

CITY OF SHASTA LAKE
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue Funds	Debt Service Funds	Totals
REVENUES			
Taxes and assessments	\$ 219,176	\$ 18,939	\$ 238,115
Use of money and property	23,124	450	23,574
Intergovernmental	1,633,299	41	1,633,340
Charges for services	319,489	-	319,489
Total Revenues	2,195,088	19,430	2,214,518
EXPENDITURES			
Current:			
General government	9,885	287	10,172
Public safety	100,000	-	100,000
Public ways and facilities	912,437	-	912,437
Community development	130,224	-	130,224
Debt service:			
Principal	-	10,877	10,877
Interest	-	6,248	6,248
Capital outlay	1,012,399	-	1,012,399
Total Expenditures	2,164,945	17,412	2,182,357
Excess of Revenues Over (Under) Expenditures	30,143	2,018	32,161
OTHER FINANCING SOURCES (USES)			
Transfers out	(485,183)	(7,980)	(493,163)
Total Other Financing Sources (Uses)	(485,183)	(7,980)	(493,163)
Net Change in Fund Balances	(455,040)	(5,962)	(461,002)
Fund Balances - Beginning	4,478,602	98,504	4,577,106
Fund Balances - Ending	\$ 4,023,562	\$ 92,542	\$ 4,116,104

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, 2017

	Law Enforcement Fund (COPS)	Water P&FCC Charges	State Trafficway	Electric P&FCC Charges
ASSETS				
Cash and investments	\$ 22,914	\$ 6,333	\$ 2,072,023	\$ 246,735
Receivables:				
Accounts, net	5,306	-	-	-
Taxes	-	-	34,848	-
Intergovernmental	-	-	-	-
Loans receivable	-	-	-	-
Land held for resale	-	-	-	-
Total Assets	\$ 28,220	\$ 6,333	\$ 2,106,871	\$ 246,735
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 38,755	\$ -
Retention payable	-	-	1,735	-
Due to other governments	27,980	-	-	-
Deposits payable	-	-	7,875	-
Due to other funds	-	-	-	-
Total Liabilities	27,980	-	48,365	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES (DEFICIT)				
Restricted	240	6,333	2,058,506	246,735
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	240	6,333	2,058,506	246,735
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 28,220	\$ 6,333	\$ 2,106,871	\$ 246,735

CDBG Project Fund	CDBG Housing Rehabilitation	Wastewater P&FCC Charges	Parks P&FCC Charges	Housing Authority	Totals
\$ 66	\$ 29	\$ 272,028	\$ 163,437	\$ 141,874	\$ 2,925,439
-	-	-	-	-	5,306
-	-	-	-	-	34,848
231,597	-	-	-	-	231,597
-	145,748	-	-	419,533	565,281
-	-	-	-	594,927	594,927
<u>\$ 231,663</u>	<u>\$ 145,777</u>	<u>\$ 272,028</u>	<u>\$ 163,437</u>	<u>\$ 1,156,334</u>	<u>\$ 4,357,398</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,075	\$ 39,830
-	-	-	-	-	1,735
5,250	-	-	-	-	33,230
-	-	-	-	-	7,875
224,150	-	-	-	-	224,150
<u>229,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,075</u>	<u>306,820</u>
<u>27,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,016</u>
<u>27,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,016</u>
-	145,777	272,028	163,437	1,155,259	4,048,315
(24,753)	-	-	-	-	(24,753)
<u>(24,753)</u>	<u>145,777</u>	<u>272,028</u>	<u>163,437</u>	<u>1,155,259</u>	<u>4,023,562</u>
<u>\$ 231,663</u>	<u>\$ 145,777</u>	<u>\$ 272,028</u>	<u>\$ 163,437</u>	<u>\$ 1,156,334</u>	<u>\$ 4,357,398</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, 2017

	Law Enforcement Fund (COPS)	Water P&FCC Charges	State Trafficway	Electric P&FCC Charges
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ 219,176	\$ -
Use of money and property	-	258	11,987	1,381
Intergovernmental	100,000	-	600,074	-
Charges for services	-	114,326	26,441	3,795
Total Revenues	<u>100,000</u>	<u>114,584</u>	<u>857,678</u>	<u>5,176</u>
EXPENDITURES				
Current:				
General government	-	3,073	-	643
Public safety	100,000	-	-	-
Public ways and facilities	-	-	912,437	-
Community development	-	-	-	-
Capital outlay	-	-	126,163	-
Total Expenditures	<u>100,000</u>	<u>3,073</u>	<u>1,038,600</u>	<u>643</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>111,511</u>	<u>(180,922)</u>	<u>4,533</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(120,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(120,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(8,489)	(180,922)	4,533
Fund Balances (Deficit) - Beginning	<u>240</u>	<u>14,822</u>	<u>2,239,428</u>	<u>242,202</u>
Fund Balances (Deficit) - Ending	<u>\$ 240</u>	<u>\$ 6,333</u>	<u>\$ 2,058,506</u>	<u>\$ 246,735</u>

CDBG Project Fund	CDBG Housing Rehabilitation	Wastewater P&FCC Charges	Parks P&FCC Charges	Housing Authority	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,176
-	613	2,736	835	5,314	23,124
933,225	-	-	-	-	1,633,299
-	-	141,278	33,649	-	319,489
<u>933,225</u>	<u>613</u>	<u>144,014</u>	<u>34,484</u>	<u>5,314</u>	<u>2,195,088</u>
-	-	4,321	1,848	-	9,885
-	-	-	-	-	100,000
-	-	-	-	-	912,437
64,903	18,940	-	-	46,381	130,224
886,236	-	-	-	-	1,012,399
<u>951,139</u>	<u>18,940</u>	<u>4,321</u>	<u>1,848</u>	<u>46,381</u>	<u>2,164,945</u>
<u>(17,914)</u>	<u>(18,327)</u>	<u>139,693</u>	<u>32,636</u>	<u>(41,067)</u>	<u>30,143</u>
<u>-</u>	<u>(5,088)</u>	<u>(360,095)</u>	<u>-</u>	<u>-</u>	<u>(485,183)</u>
<u>-</u>	<u>(5,088)</u>	<u>(360,095)</u>	<u>-</u>	<u>-</u>	<u>(485,183)</u>
<u>(17,914)</u>	<u>(23,415)</u>	<u>(220,402)</u>	<u>32,636</u>	<u>(41,067)</u>	<u>(455,040)</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>
<u>\$ (24,753)</u>	<u>\$ 145,777</u>	<u>\$ 272,028</u>	<u>\$ 163,437</u>	<u>\$ 1,155,259</u>	<u>\$ 4,023,562</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Law Enforcement Fund (COPS) - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2017

	<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	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 150	\$ 150	\$ 258	\$ 108
Charges for services	75,000	75,000	114,326	39,326
Total Revenues	<u>75,150</u>	<u>75,150</u>	<u>114,584</u>	<u>39,434</u>
EXPENDITURES				
Current:				
General government	3,073	3,073	3,073	-
Total Expenditures	<u>3,073</u>	<u>3,073</u>	<u>3,073</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>72,077</u>	<u>72,077</u>	<u>111,511</u>	<u>39,434</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(50,000)	(120,000)	(70,000)
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(120,000)</u>	<u>(70,000)</u>
Net Change in Fund Balance	22,077	22,077	(8,489)	(30,566)
Fund Balance - Beginning	<u>14,822</u>	<u>14,822</u>	<u>14,822</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 36,899</u></u>	<u><u>\$ 36,899</u></u>	<u><u>\$ 6,333</u></u>	<u><u>\$ (30,566)</u></u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
State Trafficway - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 393,965	\$ 385,161	\$ 219,176	\$ (165,985)
Use of money and property	5,500	5,500	11,987	6,487
Intergovernmental	525,000	481,971	600,074	118,103
Charges for services	15,000	15,000	26,441	11,441
Total Revenues	<u>939,465</u>	<u>887,632</u>	<u>857,678</u>	<u>(29,954)</u>
EXPENDITURES				
Current:				
Public ways and facilities	952,495	924,196	912,437	11,759
Capital outlay	1,700,000	683,813	126,163	557,650
Total Expenditures	<u>2,652,495</u>	<u>1,608,009</u>	<u>1,038,600</u>	<u>569,409</u>
Net Change in Fund Balance	(1,713,030)	(720,377)	(180,922)	539,455
Fund Balance - Beginning	<u>2,239,428</u>	<u>2,239,428</u>	<u>2,239,428</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 526,398</u></u>	<u><u>\$ 1,519,051</u></u>	<u><u>\$ 2,058,506</u></u>	<u><u>\$ 539,455</u></u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Electric P&FCC Charges - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2017

	<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	\$ 1,381	\$ 881
Charges for services	10,000	10,000	3,795	(6,205)
Total Revenues	<u>10,500</u>	<u>10,500</u>	<u>5,176</u>	<u>(5,324)</u>
EXPENDITURES				
Current:				
General government	643	643	643	-
Total Expenditures	<u>643</u>	<u>643</u>	<u>643</u>	<u>-</u>
Net Change in Fund Balance	9,857	9,857	4,533	(5,324)
Fund Balance - Beginning	<u>242,202</u>	<u>242,202</u>	<u>242,202</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 252,059</u>	<u>\$ 252,059</u>	<u>\$ 246,735</u>	<u>\$ (5,324)</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
CDBG Project Fund - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 5,000	\$ 1,250,052	\$ 933,225	\$ (316,827)
Total Revenues	<u>5,000</u>	<u>1,250,052</u>	<u>933,225</u>	<u>(316,827)</u>
EXPENDITURES				
Current:				
Community development	5,000	263,817	64,903	198,914
Capital outlay	-	886,236	886,236	-
Total Expenditures	<u>5,000</u>	<u>1,150,053</u>	<u>951,139</u>	<u>198,914</u>
Net Change in Fund Balance	-	99,999	(17,914)	(117,913)
Fund Balance (Deficit) - Beginning	<u>(6,839)</u>	<u>(6,839)</u>	<u>(6,839)</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u><u>\$ (6,839)</u></u>	<u><u>\$ 93,160</u></u>	<u><u>\$ (24,753)</u></u>	<u><u>\$ (117,913)</u></u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
CDBG Housing Rehabilitation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2017

	<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	\$ 613	\$ (387)
Other revenue	-	4,788	-	(4,788)
Total Revenues	<u>-</u>	<u>5,788</u>	<u>613</u>	<u>(5,175)</u>
EXPENDITURES				
Current:				
Community development	-	18,940	18,940	-
Total Expenditures	<u>-</u>	<u>18,940</u>	<u>18,940</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(13,152)</u>	<u>(18,327)</u>	<u>(5,175)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out			(5,088)	(5,088)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(5,088)</u>	<u>(5,088)</u>
Net Change in Fund Balance	-	(13,152)	(23,415)	(10,263)
Fund Balance - Beginning	<u>169,192</u>	<u>169,192</u>	<u>169,192</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 169,192</u>	<u>\$ 156,040</u>	<u>\$ 145,777</u>	<u>\$ (10,263)</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Wastewater P&FCC Charges - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2017

	<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	\$ 1,500	\$ 1,500	\$ 2,736	\$ 1,236
Charges for services	69,000	69,000	141,278	72,278
Total Revenues	<u>70,500</u>	<u>70,500</u>	<u>144,014</u>	<u>73,514</u>
EXPENDITURES				
Current:				
General government	4,321	4,321	4,321	-
Total Expenditures	<u>4,321</u>	<u>4,321</u>	<u>4,321</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>66,179</u>	<u>66,179</u>	<u>139,693</u>	<u>73,514</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(222,000)	(360,095)	(138,095)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(222,000)</u>	<u>(360,095)</u>	<u>(138,095)</u>
Net Change in Fund Balance	66,179	(155,821)	(220,402)	(64,581)
Fund Balance - Beginning	<u>492,430</u>	<u>492,430</u>	<u>492,430</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 558,609</u>	<u>\$ 336,609</u>	<u>\$ 272,028</u>	<u>\$ (64,581)</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Parks P&FCC Charges - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 150	\$ 150	\$ 835	\$ 685
Charges for services	30,000	30,000	33,649	3,649
Total Revenues	<u>30,150</u>	<u>30,150</u>	<u>34,484</u>	<u>4,334</u>
EXPENDITURES				
Current:				
General government	1,848	1,848	1,848	-
Total Expenditures	<u>1,848</u>	<u>1,848</u>	<u>1,848</u>	<u>-</u>
Net Change in Fund Balance	28,302	28,302	32,636	4,334
Fund Balance - Beginning	<u>130,801</u>	<u>130,801</u>	<u>130,801</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 159,103</u>	<u>\$ 159,103</u>	<u>\$ 163,437</u>	<u>\$ 4,334</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Housing Authority - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ 108,000	\$ 5,314	\$ (102,686)
Total Revenues	<u>-</u>	<u>108,000</u>	<u>5,314</u>	<u>(102,686)</u>
EXPENDITURES				
Current:				
General government	1,500	1,500	-	1,500
Community development	46,000	126,000	46,381	79,619
Total Expenditures	<u>47,500</u>	<u>127,500</u>	<u>46,381</u>	<u>81,119</u>
Net Change in Fund Balance	(47,500)	(19,500)	(41,067)	(21,567)
Fund Balance - Beginning	<u>1,196,326</u>	<u>1,196,326</u>	<u>1,196,326</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,148,826</u>	<u>\$ 1,176,826</u>	<u>\$ 1,155,259</u>	<u>\$ (21,567)</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.

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CITY OF SHASTA LAKE
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2017

	Rosamond Debt Service	Riddle Road Water Bond	Davis Grunsky Loan Act	Totals
ASSETS				
Cash and investments	\$ -	\$ 4,727	\$ 85,154	\$ 89,881
Receivables:				
Taxes	-	511	100	611
Assessments	-	34,000	-	34,000
Prepaid costs	-	2,050	-	2,050
Total Assets	\$ -	\$ 41,288	\$ 85,254	\$ 126,542
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	34,000	-	34,000
Total Deferred Inflows of Resources	-	34,000	-	34,000
FUND BALANCES				
Restricted	-	7,288	85,254	92,542
Total Fund Balances	-	7,288	85,254	92,542
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 41,288	\$ 85,254	\$ 126,542

CITY OF SHASTA LAKE
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2017

	Rosamond Debt Service	Riddle Road Water Bond	Davis Grunsky Loan Act	Totals
REVENUES				
Taxes and assessments	\$ -	\$ 3,809	\$ 15,130	\$ 18,939
Use of money and property	45	(65)	470	450
Intergovernmental	-	-	41	41
Total Revenues	<u>45</u>	<u>3,744</u>	<u>15,641</u>	<u>19,430</u>
EXPENDITURES				
Current:				
General government	287	-	-	287
Debt service:				
Principal	-	2,000	8,877	10,877
Interest	-	1,750	4,498	6,248
Total Expenditures	<u>287</u>	<u>3,750</u>	<u>13,375</u>	<u>17,412</u>
Excess of Revenues Over (Under) Expenditures	(242)	(6)	2,266	2,018
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,980)	-	-	(7,980)
Total Other Financing Sources (Uses)	<u>(7,980)</u>	<u>-</u>	<u>-</u>	<u>(7,980)</u>
Net Change in Fund Balances	(8,222)	(6)	2,266	(5,962)
Fund Balances - Beginning	<u>8,222</u>	<u>7,294</u>	<u>82,988</u>	<u>98,504</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 7,288</u>	<u>\$ 85,254</u>	<u>\$ 92,542</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Wastewater Treatment Debt - Major Debt Service Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 240,000	\$ 240,000	\$ 250,908	\$ 10,908
Use of money and property	1,000	1,000	3,020	2,020
Total Revenues	<u>241,000</u>	<u>241,000</u>	<u>253,928</u>	<u>12,928</u>
EXPENDITURES				
Current:				
Community development	10,000	10,000	8,784	1,216
Debt service:				
Principal	101,000	102,000	102,000	-
Interest	137,100	137,100	129,275	7,825
Total Expenditures	<u>248,100</u>	<u>249,100</u>	<u>240,059</u>	<u>9,041</u>
Net Change in Fund Balance	(7,100)	(8,100)	13,869	21,969
Fund Balance - Beginning	<u>561,542</u>	<u>561,542</u>	<u>561,542</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 554,442</u>	<u>\$ 553,442</u>	<u>\$ 575,411</u>	<u>\$ 21,969</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Rosamond Debt Service - Nonmajor Debt Service Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and assessments	\$ 21,750	\$ -	\$ -	\$ -
Use of money and property	-	-	45	45
Total Revenues	<u>21,750</u>	<u>-</u>	<u>45</u>	<u>45</u>
EXPENDITURES				
Current:				
General government	3,000	3,000	287	2,713
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>287</u>	<u>2,713</u>
Excess of Revenues Over (Under) Expenditures	18,750	(3,000)	(242)	2,758
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(7,980)	(7,980)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(7,980)</u>	<u>(7,980)</u>
Net Change in Fund Balance	18,750	(3,000)	(8,222)	(5,222)
Fund Balance - Beginning	<u>8,222</u>	<u>8,222</u>	<u>8,222</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 26,972</u>	<u>\$ 5,222</u>	<u>\$ -</u>	<u>\$ (5,222)</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Riddle Road Water Bond - Nonmajor Debt Service Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 3,000	\$ 3,000	\$ 3,809	\$ 809
Use of money and property	-	-	(65)	(65)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>3,744</u>	<u>744</u>
EXPENDITURES				
Debt service:				
Principal	2,000	2,000	2,000	-
Interest	1,850	1,850	1,750	100
Total Expenditures	<u>3,850</u>	<u>3,850</u>	<u>3,750</u>	<u>100</u>
Net Change in Fund Balance	(850)	(850)	(6)	844
Fund Balance - Beginning	<u>7,294</u>	<u>7,294</u>	<u>7,294</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 6,444</u>	<u>\$ 6,444</u>	<u>\$ 7,288</u>	<u>\$ 844</u>

CITY OF SHASTA LAKE
Budgetary Comparison Schedule
Davis Grunsky Loan Act - Nonmajor Debt Service Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 16,000	\$ 16,000	\$ 15,130	\$ (870)
Use of money and property	100	100	470	370
Intergovernmental	-	-	41	41
Total Revenues	<u>16,100</u>	<u>16,100</u>	<u>15,641</u>	<u>(459)</u>
EXPENDITURES				
Debt service:				
Principal	8,652	8,652	8,877	(225)
Interest	3,600	3,600	4,498	(898)
Total Expenditures	<u>12,252</u>	<u>12,252</u>	<u>13,375</u>	<u>(1,123)</u>
Net Change in Fund Balance	3,848	3,848	2,266	(1,582)
Fund Balance - Beginning	<u>82,988</u>	<u>82,988</u>	<u>82,988</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 86,836</u>	<u>\$ 86,836</u>	<u>\$ 85,254</u>	<u>\$ (1,582)</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 goods or services provided by one department or agency to other departments on a cost-reimbursement basis. Internal Service funds used at the City are listed below:

Motor Pool

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

Public Works

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

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CITY OF SHASTA LAKE
Combining Statement of Net Position
Internal Service Funds
June 30, 2017

	Motor Pool	Public Works	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ 183,633	\$ 451,893	\$ 635,526
Total Current Assets	183,633	451,893	635,526
Noncurrent Assets:			
Other postemployment benefits asset	187,692	473,042	660,734
Capital assets:			
Depreciable, net	993,512	206,098	1,199,610
Total Noncurrent Assets	1,181,204	679,140	1,860,344
Total Assets	1,364,837	1,131,033	2,495,870
DEFERRED OUTFLOWS OF RESOURCES			
Pension adjustments	33,899	300,878	334,777
Total Deferred Outflows of Resources	33,899	300,878	334,777
LIABILITIES			
Current Liabilities:			
Accounts payable	25,368	3,894	29,262
Salaries and benefits payable	3,315	31,185	34,500
Due to other governments	14,485	2,580	17,065
Compensated absences payable	10,455	65,738	76,193
Total Current Liabilities	53,623	103,397	157,020
Noncurrent Liabilities:			
Advances from other funds	23,519	276,138	299,657
Net pension liability	120,326	1,143,739	1,264,065
Total Noncurrent Liabilities	143,845	1,419,877	1,563,722
Total Liabilities	197,468	1,523,274	1,720,742
DEFERRED INFLOWS OF RESOURCES			
Pension adjustments	10,077	91,945	102,022
Total Deferred Inflows of Resources	10,077	91,945	102,022
NET POSITION			
Investment in capital assets	993,512	206,098	1,199,610
Unrestricted	197,679	(389,406)	(191,727)
Total Net Position	\$ 1,191,191	\$ (183,308)	\$ 1,007,883

CITY OF SHASTA LAKE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2017

	Motor Pool	Public Works	Totals
OPERATING REVENUES			
Charges for services	\$ 577,927	\$ 1,619,178	\$ 2,197,105
Other revenue	-	510	510
Total Operating Revenues	<u>577,927</u>	<u>1,619,688</u>	<u>2,197,615</u>
OPERATING EXPENSES			
Salaries and benefits	134,657	1,299,619	1,434,276
Administration	173,937	344,478	518,415
Insurance	4,206	1,620	5,826
Supplies	1,289	20,905	22,194
Repair and maintenance	125,738	3,273	129,011
Professional services	2,940	34,378	37,318
Depreciation	278,409	7,633	286,042
Total Operating Expenses	<u>721,176</u>	<u>1,711,906</u>	<u>2,433,082</u>
Operating Income (Loss)	<u>(143,249)</u>	<u>(92,218)</u>	<u>(235,467)</u>
NON-OPERATING REVENUES (EXPENSES)			
Gain (loss) on sale of capital assets	34,112	-	34,112
Interest expense	(749)	(5,081)	(5,830)
Total Non-Operating Revenues (Expenses)	<u>33,363</u>	<u>(5,081)</u>	<u>28,282</u>
Change in Net Position	<u>(109,886)</u>	<u>(97,299)</u>	<u>(207,185)</u>
Total Net Position - Beginning	<u>1,301,077</u>	<u>(86,009)</u>	<u>1,215,068</u>
Total Net Position - Ending	<u>\$ 1,191,191</u>	<u>\$ (183,308)</u>	<u>\$ 1,007,883</u>

CITY OF SHASTA LAKE
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2017

	Motor Pool	Public Works	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services	\$ 577,927	\$ 1,619,178	\$ 2,197,105
Receipts from customers	-	510	510
Payments to suppliers	(224,902)	(97,390)	(322,292)
Payments for interfund services	(57,995)	(305,753)	(363,748)
Payments to employees	(115,987)	(1,182,214)	(1,298,201)
Net Cash Provided (Used) by Operating Activities	<u>179,043</u>	<u>34,331</u>	<u>213,374</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Interfund loans repaid	(3,102)	(36,416)	(39,518)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(3,102)</u>	<u>(36,416)</u>	<u>(39,518)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(326,524)	-	(326,524)
Sale of capital assets	34,112	-	34,112
Principal paid on debt	(28,486)	-	(28,486)
Interest paid on debt	(746)	(5,082)	(5,828)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(321,644)</u>	<u>(5,082)</u>	<u>(326,726)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(145,703)	(7,167)	(152,870)
Balances - Beginning	329,336	459,060	788,396
Balances - Ending	<u>\$ 183,633</u>	<u>\$ 451,893</u>	<u>\$ 635,526</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (143,249)	\$ (92,218)	\$ (235,467)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	278,409	7,633	286,042
Decrease (increase) in:			
Net OPEB asset	5,330	7,368	12,698
Pension adjustment - deferred outflows	(18,743)	(165,448)	(184,191)
Increase (decrease) in:			
Accounts payable	10,728	(1,069)	9,659
Salaries and benefits payable	998	5,003	6,001
Due to other governments	14,485	2,580	17,065
Compensated absences	867	(2,600)	(1,733)
Net pension liability	32,112	306,098	338,210
Pension adjustment - deferred inflows	(1,894)	(33,016)	(34,910)
Net Cash Provided (Used) by Operating Activities	<u>\$ 179,043</u>	<u>\$ 34,331</u>	<u>\$ 213,374</u>

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Fiduciary Funds

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CITY OF SHASTA LAKE
Fiduciary Funds

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

Agency Fund

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

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

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CITY OF SHASTA LAKE
Statement of Assets and Liabilities
Agency Fund
June 30, 2017

	Community Facility Districts	Totals
ASSETS		
Cash and investments	\$ 323,803	\$ 323,803
Receivables:		
Taxes	730	730
Total Assets	\$ 324,533	\$ 324,533
LIABILITIES		
Accounts payable	\$ 174	\$ 174
Agency obligations	324,359	324,359
Total Liabilities	\$ 324,533	\$ 324,533

CITY OF SHASTA LAKE
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
COMMUNITY FACILITY DISTRICTS				
ASSETS				
Cash and investments	\$ 301,603	\$ 59,257	\$ 37,057	\$ 323,803
Receivables:				
Taxes	975	-	245	730
	<u>975</u>	<u>-</u>	<u>245</u>	<u>730</u>
Total Assets	<u>\$ 302,578</u>	<u>\$ 59,257</u>	<u>\$ 37,302</u>	<u>\$ 324,533</u>
LIABILITIES				
Accounts payable	\$ 7,363	\$ 174	\$ 7,363	\$ 174
Agency obligations	295,215	29,144	-	324,359
	<u>295,215</u>	<u>29,144</u>	<u>-</u>	<u>324,359</u>
Total Liabilities	<u>\$ 302,578</u>	<u>\$ 29,318</u>	<u>\$ 7,363</u>	<u>\$ 324,533</u>

STATISTICAL SECTION

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CITY OF SHASTA LAKE

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources:

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

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

	Fiscal Year			
	2007/2008	2008/2009	2009/2010	2010/2011
Governmental Activities				
Net investment in capital assets	\$ 42,518,150	\$ 44,251,610	\$ 45,358,187	\$ 49,643,294
Restricted	12,781,389	13,620,477	14,159,185	14,803,221
Unrestricted	3,955,119	3,503,525	1,785,070	(1,103,484)
Total governmental activities net position	\$ 59,254,658	\$ 61,375,612	\$ 61,302,442	\$ 63,343,031
Business-Type Activities				
Net investment in capital assets	\$ 35,334,222	\$ 35,670,069	\$ 34,118,950	\$ 32,604,718
Restricted	2,830,859	1,006,091	992,149	998,403
Unrestricted	14,290,305	16,070,235	16,414,994	17,001,652
Total business-type activities net position	\$ 52,455,386	\$ 52,746,395	\$ 51,526,093	\$ 50,604,773
Primary Government				
Net investment in capital assets	\$ 77,852,372	\$ 79,921,679	\$ 79,477,137	\$ 82,248,012
Restricted	15,612,248	14,626,568	15,151,334	15,801,624
Unrestricted	18,245,424	19,573,760	18,200,064	15,898,168
Total primary government net position	\$111,710,044	\$114,122,007	\$112,828,535	\$113,947,804

<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
\$ 52,274,952	\$ 52,295,145	\$ 48,273,741	\$ 47,105,807	\$ 46,980,971	\$ 46,478,920
8,110,724	8,633,920	9,833,597	10,781,288	10,262,714	9,836,174
2,313,537	2,789,860	4,716,258	3,162,244	6,007,533	6,098,998
<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>	<u>\$ 62,414,092</u>
\$ 31,579,360	\$ 37,184,118	\$ 23,037,784	\$ 23,395,913	\$ 29,225,573	\$ 30,035,922
998,185	997,747	977,967	987,219	63,124	63,502
18,096,357	12,587,267	25,934,191	22,916,967	17,814,771	19,781,516
<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>	<u>\$ 49,880,940</u>
\$ 83,854,312	\$ 89,479,263	\$ 71,311,525	\$ 70,501,720	\$ 76,206,544	\$ 76,514,842
9,108,909	9,631,667	10,811,564	11,768,507	10,325,838	9,899,676
20,409,894	15,377,127	30,650,449	26,079,211	23,822,304	25,880,514
<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>	<u>\$112,295,032</u>

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

	Fiscal Year			
	2007/2008	2008/2009	2009/2010	2010/2011
Expenses				
Governmental Activities:				
General government	\$ 2,884,859	\$ 3,067,756	\$ 2,886,441	\$ 2,902,975
Public safety	2,830,146	2,874,156	2,966,827	2,751,631
Public ways and facilities	1,242,598	50,259	1,953,478	1,947,459
Planning	482,136	407,431	356,499	348,835
Culture and recreation	357,993	386,623	311,831	282,910
Community development	1,723,742	2,935,471	2,485,092	2,436,714
Interest on long-term debt	-	-	-	-
Total Governmental Activities Expenses	9,521,474	9,721,696	10,960,168	10,670,524
Business-Type Activities:				
Water	1,796,805	2,651,243	2,391,584	2,056,226
Electric	19,046,728	18,422,891	18,224,258	15,456,282
Wastewater	2,193,838	2,331,054	2,367,035	2,437,577
Industrial park	165,061	147,544	140,737	130,142
Total Business-Type Activities Expenses	23,202,432	23,552,732	23,123,614	20,080,227
Total Primary Government Expenses	\$ 32,723,906	\$ 33,274,428	\$ 34,083,782	\$ 30,750,751
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	\$ 2,784,349	\$ 2,864,793	\$ 3,011,768	\$ 2,743,366
Public safety	181,727	106,344	100,917	73,335
Public ways and facilities	-	11,895	70,186	1,766
Planning	51,305	22,095	34,113	30,328
Culture and recreation	9,036	16,172	8,030	3,461
Community development	48,345	15,270	21,695	22,083
Operating grants and contributions	2,413,959	4,213,084	1,819,835	2,542,442
Capital grants and contributions	1,090,107	594,325	535,921	1,200,951
Total Governmental Activities Program Revenues	6,578,828	7,843,978	5,602,465	6,617,732
Business-Type Activities:				
Charges for services:				
Water	1,880,046	1,843,969	1,901,864	1,965,585
Electric	20,041,141	17,830,444	17,303,120	14,469,256
Wastewater	1,622,343	1,710,520	2,080,443	2,226,744
Industrial park	6,470	6,152	44,948	45,732
Operating grants and contributions	388,318	-	-	-
Capital grants and contributions	104,067	101,290	56,634	61,943
Total Business-Type Activities Program Revenues	24,042,385	21,492,375	21,387,009	18,769,260
Total Primary Government Program Revenues	\$ 30,621,213	\$ 29,336,353	\$ 26,989,474	\$ 25,386,992

<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
\$ 2,796,741	\$ 2,492,722	\$ 2,636,610	\$ 2,061,600	\$ 2,056,476	\$ 2,691,742
2,747,717	2,848,143	2,761,952	2,802,199	2,889,166	3,001,951
1,589,908	1,883,790	2,041,296	1,949,843	1,963,018	2,214,871
334,373	371,593	514,828	668,710	547,822	660,982
274,282	254,399	298,171	302,959	295,177	263,040
506,149	117,714	389,440	328,401	240,983	140,777
-	-	169,850	159,790	147,472	142,430
<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>	<u>9,115,793</u>
1,930,159	2,255,672	2,748,608	2,459,582	2,952,972	2,785,859
15,603,541	17,526,105	20,114,409	19,374,664	18,664,440	18,798,738
2,152,763	2,524,844	2,735,434	2,141,935	2,448,732	2,493,080
119,011	147,052	132,300	142,459	83,632	70,939
<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>24,148,616</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>	<u>\$ 33,264,409</u>
\$ 2,889,853	\$ 2,998,406	\$ 2,944,400	\$ 3,006,016	\$ 2,941,279	\$ 3,501,343
69,222	71,291	98,883	108,154	96,573	128,344
6,068	72,064	274,347	329,996	361,363	506,969
37,272	15,661	-	-	-	-
3,263	3,966	5,432	7,000	1,505	2,597
41,205	11,678	-	12,303	-	-
1,424,029	2,459,906	1,847,156	1,749,838	1,571,797	1,814,397
618,903	217,806	333,623	304,440	254,623	256,889
<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>	<u>6,210,539</u>
2,143,515	2,447,152	2,518,565	2,454,424	2,475,734	2,867,046
14,921,718	17,038,476	19,271,837	19,027,126	20,153,868	19,555,082
2,178,308	2,368,044	2,584,526	2,651,905	2,790,033	2,865,235
49,451	51,300	-	-	-	-
-	-	-	-	-	-
53,730	417,370	51,087	151,046	49,265	47,952
<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>25,335,315</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>	<u>\$ 31,545,854</u>

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

	Fiscal Year			
	2007/2008	2008/2009	2009/2010	2010/2011
Net (Expense)/Revenue¹				
Governmental Activities	\$ (2,942,646)	\$ (1,877,718)	\$ (5,357,703)	\$ (4,052,792)
Business-Type Activities	839,953	(2,060,357)	(1,736,605)	(1,310,967)
 Total Primary Government Net Expense	<u>\$ (2,102,693)</u>	<u>\$ (3,938,075)</u>	<u>\$ (7,094,308)</u>	<u>\$ (5,363,759)</u>
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 4,094,899	\$ 4,121,837	\$ 3,850,713	\$ 4,535,646
Sales and use taxes	628,969	446,298	455,952	510,472
Transient occupancy taxes	13,285	9,136	7,750	8,300
Other taxes	184,756	184,597	153,181	153,855
Motor vehicle in-lieu	823,530	844,126	814,202	839,556
Interest and investment earnings	528,054	203,269	80,752	85,919
Miscellaneous	37,133	28,917	32,590	23,855
Transfers	(1,330,262)	(1,839,508)	(110,607)	(86,000)
Gain/loss on sale of asset	-	-	-	21,778
Extraordinary gain	-	-	-	-
 Total Governmental Activities	<u>4,980,364</u>	<u>3,998,672</u>	<u>5,284,533</u>	<u>6,093,381</u>
Business-Type Activities:				
Interest and investment earnings	1,071,344	475,770	304,857	212,123
Miscellaneous	123,259	36,088	100,839	91,524
Special item - loss on sale of property	-	-	-	-
Transfers	1,330,262	1,839,508	110,607	86,000
 Total Business-Type Activities	<u>2,524,865</u>	<u>2,351,366</u>	<u>516,303</u>	<u>389,647</u>
 Total Primary Government	<u>\$ 7,505,229</u>	<u>\$ 6,350,038</u>	<u>\$ 5,800,836</u>	<u>\$ 6,483,028</u>
 Change in Net Position				
Governmental Activities	\$ 2,037,718	\$ 2,120,954	\$ (73,170)	\$ 2,040,589
Business-Type Activities	3,364,818	291,009	(1,220,302)	(921,320)
 Total Primary Government	<u>\$ 5,402,536</u>	<u>\$ 2,411,963</u>	<u>\$ (1,293,472)</u>	<u>\$ 1,119,269</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>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
\$ (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	\$ (2,905,254) 1,186,699
<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>	<u>\$ (1,718,555)</u>
\$ 2,472,818 414,712 5,280 153,522 757,878 62,835 85,742 (196,739) -	\$ 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 -	\$ 1,079,016 701,611 4,525 783,018 807,631 49,391 9,267 (1,366,331) -
<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>	<u>2,068,128</u>
215,606 115,536 -	150,238 35,132 -	157,207 408,876 -	130,341 263,754 -	235,266 192,679 (226,009)	66,178 158,264 -
<u>196,739</u>	<u>41,187</u>	<u>110,000</u>	<u>65,000</u>	<u>(1,717,691)</u>	<u>1,366,331</u>
<u>527,881</u>	<u>226,557</u>	<u>676,083</u>	<u>459,095</u>	<u>(1,515,755)</u>	<u>1,590,773</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>	<u>\$ 3,658,901</u>
\$ (108,983) 69,129	\$ 1,019,716 95,226	\$ (895,329) (628,653)	\$ 216,924 624,956	\$ 2,201,879 (196,631)	\$ (837,126) 2,777,472
<u>\$ (39,854)</u>	<u>\$ 1,114,942</u>	<u>\$ (1,523,982)</u>	<u>\$ 841,880</u>	<u>\$ 2,005,248</u>	<u>\$ 1,940,346</u>

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

	Fiscal Year			
	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>
General Fund				
Reserved	\$ 156,994	\$ 156,993	\$ 72,503	\$ -
Unreserved	3,660,648	3,222,503	3,564,483	-
Restricted	-	-	-	4,481,416
Assigned	-	-	-	-
Unassigned	-	-	-	(1,413,127)
Total General Fund	<u>\$ 3,817,642</u>	<u>\$ 3,379,496</u>	<u>\$ 3,636,986</u>	<u>\$ 3,068,289</u>
All Other Governmental Funds				
Reserved	\$ 14,253,582	\$ 14,653,474	\$ 12,745,664	\$ -
Unreserved, reported in: Special revenue funds	4,392,777	4,523,970	5,037,755	-
Restricted	-	-	-	15,851,076
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 18,646,359</u>	<u>\$ 19,177,444</u>	<u>\$ 17,783,419</u>	<u>\$ 15,851,076</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>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,677,876	3,322,038	641,692	630,748	596,191	598,175
-	-	1,046,606	1,154,764	4,693,366	4,497,103
(1,309,733)	(488,173)	719,127	1,205,470	300,948	1,017,223
<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>	<u>\$ 6,112,501</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
8,206,752	8,727,876	9,061,761	9,974,045	9,586,435	9,157,337
-	-	(50,301)	(94,981)	(6,839)	(24,753)
<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>	<u>\$ 9,132,584</u>

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

	Fiscal Year			
	2007/2008	2008/2009	2009/2010	2010/2011
Revenues				
Taxes and assessments	\$ 5,870,194	\$ 5,362,411	\$ 5,069,637	\$ 5,808,266
Licenses and permits	168,359	103,845	115,615	87,440
Fines and forfeitures	24,090	26,761	14,361	11,710
Use of money	678,082	274,034	105,227	114,036
Intergovernmental	2,944,031	4,898,038	2,655,155	3,452,138
Charges for services	3,235,596	3,069,691	3,286,705	2,775,660
Other revenues	52,102	34,376	41,905	333,872
Total Revenues	12,972,454	13,769,156	11,288,605	12,583,122
Expenditures				
Current:				
General government	2,364,435	2,554,374	2,289,272	2,469,149
Public safety	2,821,343	2,863,740	2,760,245	2,716,676
Public ways and facilities	510,061	523,949	661,154	558,748
Planning	478,194	403,488	352,557	344,893
Culture and recreation	283,951	337,806	309,232	615,465
Community development	1,949,983	4,441,991	3,532,795	2,376,820
Debt service				
Principal	379,487	333,904	543,082	308,461
Interest	496,854	479,645	458,786	437,365
Capital outlay	2,055,855	1,705,920	1,427,517	5,200,585
Total Expenditures	11,340,163	13,644,817	12,334,640	15,028,162
Excess of Revenues Over (Under) Expenditures	1,632,291	124,339	(1,046,035)	(2,445,040)
Other Financing Sources (Uses)				
Debt proceeds	-	-	-	-
Transfers in	1,151,547	920,265	789,509	791,811
Transfers out	(1,326,547)	(951,665)	(880,009)	(847,811)
Total Other Financing Sources (Uses)	(175,000)	(31,400)	(90,500)	(56,000)
Extraordinary loss	-	-	-	-
Net Change in Fund Balances (Deficits)	\$ 1,457,291	\$ 92,939	\$ (1,136,535)	\$ (2,501,040)
Debt Service as a Percentage of Noncapital Expenditures	9.44%	6.81%	9.19%	7.59%

<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
\$ 3,672,060	\$ 2,749,373	\$ 2,321,000	\$ 2,869,231	\$ 3,111,277	\$ 3,034,827
100,801	68,367	98,638	106,596	108,239	134,205
8,959	21,722	18,107	18,671	8,277	13,838
85,263	46,091	35,232	21,089	95,846	49,391
1,959,472	2,733,862	2,242,654	2,218,629	2,090,513	2,488,244
3,008,184	3,169,464	3,206,317	3,338,202	3,402,204	3,991,210
94,841	340,384	164,769	28,329	21,726	9,267
<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>	<u>9,720,982</u>
2,399,456	2,312,602	2,672,669	2,045,628	2,192,284	2,402,831
2,740,964	2,841,390	2,730,507	2,770,937	2,895,330	2,976,402
262,238	850,563	981,087	740,775	724,263	956,423
330,431	367,652	510,886	681,406	625,659	613,211
291,405	199,546	246,507	247,479	239,766	193,793
353,125	116,467	388,106	307,128	236,424	139,088
103,647	107,829	113,243	117,449	127,660	112,877
423,254	156,510	162,044	158,891	149,520	145,010
4,109,715	1,165,359	439,949	28,893	1,183,419	1,626,268
<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>9,165,903</u>
<u>(2,084,655)</u>	<u>1,011,345</u>	<u>(158,281)</u>	<u>1,502,161</u>	<u>463,757</u>	<u>555,079</u>
-	-	-	14,000	-	-
686,192	10,856	23,299	26,073	2,047,198	13,068
(686,192)	(35,356)	(133,299)	(91,073)	(210,900)	(493,163)
-	(24,500)	(110,000)	(51,000)	1,836,298	(480,095)
<u>(5,724,980)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (7,809,635)</u>	<u>\$ 986,845</u>	<u>\$ (268,281)</u>	<u>\$ 1,451,161</u>	<u>\$ 2,300,055</u>	<u>\$ 74,984</u>
7.63%	3.80%	3.53%	3.91%	3.85%	3.42%

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>
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%
2016/2017	6,112,501	7,252,335	84.3%

Note:

Due to Governmental Accounting Standards Board Statement 54 reporting requirements, Undesignated Fund Balance for 2011-2017 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	Intergovernmental	Charges for Services	Miscellaneous
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
2016/2017	2,545,804	134,205	13,838	22,596	854,904	3,671,721	9,267

Note:

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

Source:

City of Shasta Lake Financial Records

Total

\$ 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

7,252,335

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>
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
2016/2017	1,056,650	701,611	4,525	26,144	756,874

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
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
2016/2017	2,402,831	2,976,402	956,423	613,211	193,793	139,088	257,887

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
\$ 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
1,626,268	9,165,903

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
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%
2016/2017	709,474,932	12,750,395	(32,026,690)	690,198,637	4.031%	1.000%

Notes:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property tax may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents 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
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%
2017	1.0000%	0.0000%	1.0000%	0.0045%	0.0278%	0.0057%	0.0001%

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
0.0033%	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%
0.0000%	0.3700%	1.4081%

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>
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%
2017	769,088	761,560	99.02%	-	761,560	99.02%

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 2016/2017 fiscal year.

Source:

Shasta County Auditor/Controller's Office

CITY OF SHASTA LAKE
Shasta Dam Redevelopment Project Area
Historic Tax Increment Revenues
Last Eight 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%
2017	3,828,888	3,877,997	51,841	3,929,838	103%

Notes:

(1) Decrease in actual amount of levy received due to RDA's in California being dissolved.
Data pertaining to fiscal years 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 Six Years Ago

<u>Taxpayer</u>	<u>Fiscal Year 2016/2017</u>			
	<u>Type of Business</u>	<u>Rank</u>	<u>2017 Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Knauf Insulation LLC	Industrial	1	\$ 122,509,550	16.96%
Humboldt Flakeboard	Industrial	2	10,992,388	1.52%
Bobo Family Trust	Commercial	3	5,770,911	0.80%
ARC FRSHLCA001 LLC	Industrial	4	5,252,147	0.73%
Twin Lake Community LP	Housing	5	3,164,367	0.44%
W&B Construction Management Services	Housing	6	2,900,000	0.40%
Huli Investments LLC	Commercial	7	1,800,000	0.25%
Holt Distressed Property Fund	Housing	8	1,496,235	0.21%
Central Valley Investment Group	Housing	9	1,489,903	0.21%
Lake Shasta MHP	Housing	10	1,472,880	0.20%
Top Ten Secured Valuation			\$ 156,848,381	21.72%
Total City of Shasta Lake Assessed Property Valuation Fiscal Year 2016/2017.				\$ 722,225,327

<u>Taxpayer</u>	<u>Fiscal Year 2010/2011</u>			
	<u>Type of Business</u>	<u>Rank</u>	<u>2013 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 2007/2008 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 2016/2017

Taxpayer	Type of Use	Secured Value	Unsecured Value	% of Total Taxable Value (1)	% of Total Incremental Value (2)
Knauf Insulation LLC	Industrial	\$ 122,509,550	\$ -	26.27%	32.97%
Humboldt Flakeboard	Industrial	10,992,388	-	2.36%	2.96%
Bobo Family Trust	Commercial	5,770,911	-	1.24%	1.55%
Arc Frshlca LLC	Commercial	5,252,147	-	1.13%	1.41%
Huli Investments LLC	Commercial	1,800,000	-	0.39%	0.48%
Central Valley Investment Group	Commercial	1,489,903	-	0.32%	0.40%
Golden Arch LTP Partnership	Commercial	1,338,039	-	0.29%	0.36%
Maruti Cascade LLC	Residential	1,149,298	-	0.25%	0.31%
Oakridge Group Inc.	Commercial	1,229,005	-	0.26%	0.33%
Smith Family Living Trust	Commercial	1,123,553	-	0.24%	0.30%
Total		\$ 152,654,794	\$ -	32.73%	41.09%

Note:

- (1) Based on ownership of locally-assessed secured and unsecured property.
- (2) Based on Shasta Dam Redevelopment Project Area taxable value of \$466,386,431. Data for the prior nine years is unavailable.

Source:

Shasta County Assessor's Annual Report

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

Fiscal Year	Commercial Construction		Residential Construction	
	Number of Permits	Value	Number of Permits	Value
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
2016/2017	-	-	43	9,729,437

Notes:

Residential and commercial construction 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
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
2016/2017	2,856,000	-	87,426	2,943,426	780,000	3,778,903	-

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
\$ 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
4,558,903	7,502,329	1.72%	10,386	722

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
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
2016/2017	10,386	7,502,329	4,558,903	2,943,426	722,225,327	0.41%	283.40

Source:
City of Shasta Lake Financial Records

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

<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>
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%
2016/2017	2,943,426	257,887	9,165,903	2.81%

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			
	2007/2008	2008/2009	2009/2010	2010/2011
Net Assessed Value	\$ 676,623,586	\$ 704,410,900	\$ 682,180,855	\$ 649,067,490
Plus Exempt Property	<u>29,871,825</u>	<u>29,893,900</u>	<u>29,830,360</u>	<u>30,486,666</u>
Total Assessed Value	<u><u>\$ 706,495,411</u></u>	<u><u>\$ 734,304,800</u></u>	<u><u>\$ 712,011,215</u></u>	<u><u>\$ 679,554,156</u></u>
Debt Limit				
15% of Total Assessed Value	\$ 105,974,312	\$ 110,145,720	\$ 106,801,682	\$ 101,933,123
Less Outstanding General Obligation Debt	<u>10,052,588</u>	<u>9,718,684</u>	<u>9,175,593</u>	<u>9,152,923</u>
Legal Debt Margin	<u><u>\$ 95,921,724</u></u>	<u><u>\$ 100,427,036</u></u>	<u><u>\$ 97,626,089</u></u>	<u><u>\$ 92,780,200</u></u>

Source:
City of Shasta Lake Financial Records

<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
\$ 599,633,246	\$ 604,627,403	\$ 622,952,415	\$ 644,642,610	\$ 663,455,896	\$ 690,198,637
<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>32,026,690</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>	<u>\$ 722,225,327</u>
\$ 94,460,407	\$ 95,254,693	\$ 98,028,326	\$ 101,415,942	\$ 104,354,940	\$ 108,333,799
<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>2,943,426</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>	<u>\$ 105,390,373</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>	
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%
2017	10,386	436,243,158	42,003	5.0%

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 Six Years Ago

Employer	Fiscal Year 2016/2017			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	143	2	3.8%	145	1	3.8%
Knauf Insulation	153	3	4.0%	123	2	3.2%
City of Shasta Lake	48	4	1.3%	43	4	1.1%
McDonald's	40	5	1.1%	40	6	1.1%
Farmers Market Place	34	6	0.9%	31	7	0.8%
Premiere Brand Meats	28	7	0.7%	22	9	0.6%
Fresinius Medical Care	20	8	0.5%	42	5	1.1%
Lawrence & Associates	17	9	0.4%	-	-	-
530 Collective	16	10	0.4%	-	-	-
Rite Aid	-	-	-	10	10	0.3%
Trenchless Pipe Company	-	-	-	22	8	0.6%

Note:

Data pertaining to fiscal year 2007/2008 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 2016/2017 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, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>
Water	2.00	3.00	3.00	3.00
Electric	11.00	11.00	11.00	10.00
Wastewater	3.00	3.00	3.00	3.00
City Manager, City Clerk, and Grant	6.60	6.60	7.10	6.50
Finance & Customer Service	10.00	10.30	10.10	8.90
Building Use & Planning	5.40	5.40	6.10	4.20
Public Works & Motor Pool & Other	15.10	16.20	16.40	12.60
Animal Control	1.90	1.90	1.90	1.90
Total Full-Time Equivalent Employees	<u>55.00</u>	<u>57.40</u>	<u>58.60</u>	<u>50.10</u>

Source:

City of Shasta Lake Personnel Department

<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>	<u>June 30, 2017</u>
2.00	3.00	3.00	3.00	3.00	3.00
9.00	10.00	10.00	10.00	10.00	10.00
3.00	3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.37	4.00	4.00	4.00
7.45	8.95	8.00	7.00	7.00	7.00
4.00	4.50	5.00	5.00	5.00	5.00
11.75	11.80	12.50	13.50	13.50	13.00
2.00	1.75	2.63	2.63	2.88	3.00
<u>43.20</u>	<u>47.00</u>	<u>48.50</u>	<u>48.13</u>	<u>48.38</u>	<u>48.00</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</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	3,722	3,700	3,679	3,655
Electric connections	4,469	4,450	4,419	4,407
Sewer connections	3,333	3,331	3,322	3,295
Police				
Calls for service	11,829	11,005	11,651	10,517

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

2012	2013	2014	2015	2016	2017
6,950	6,950	6,950	6,950	6,950	6,950
64	64	64	65	65	65
45	45	45	45	45	45
3,646	3,665	3,672	3,700	3,748	3,746
4,385	4,401	4,406	4,434	4,414	4,451
3,283	3,300	3,314	3,336	3,362	3,360
10,842	11,829	*12,138	**11,975	12,692	11,948

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