

**CITY OF RED BLUFF, CALIFORNIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended  
June 30, 2015**



Prepared by:

Red Bluff Finance Department

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## **INTRODUCTORY SECTION**



# CITY OF RED BLUFF

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December 1, 2015

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Red Bluff

The City of Red Bluff (City) submits to you its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2015. The Finance Department publishes the CAFR to provide information about the City to its citizens, the investment community, the general public, and others who may have an interest in the financial well-being of the City. The data presented is designed to help readers assess our financial condition and understand the services we provide to the citizens of the City. This letter of transmittal is designed to be read with and complement the Management's Discussion and Analysis (MD&A). The MD&A can be found immediately following the report of the independent auditors.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and fairly represent the financial position and changes in financial position of the City. Disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

The City has a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and compile sufficient reliable information for the preparation of the City's financial statements. Because the cost of internal controls should not outweigh their benefits, the City's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

The City requires an annual audit to be conducted by an independent auditor hired by the City Council. The audit report is to be prepared in accordance with auditing standards generally accepted in the United States of America and accounting principles generally accepted in the United States of America (GAAP) and submitted to the City Council on or before the last regular City Council meeting in December. KCoe Isom, LLP, a firm of licensed certified public accountants, has audited the attached financial statements. Based on the results of the audit, the City's financial statements for the fiscal year ended June 30, 2015, received an unqualified opinion in the independent auditors' report (which is presented as the first component of the financial section of this report).

## **Profile of Red Bluff**

The City of Red Bluff was incorporated on March 31, 1876.

Red Bluff is the largest city in and the county seat of Tehama County, California. The population was 14,076 at the 2010 census, up from 13,147 at the 2000 census.

The City is governed by the California Constitution and Statutes and operates under a Council-Manager form of government. The City Council consists of five members, elected to staggered four-year terms. An election held each November in even numbered years selects either two or three Council Members. The Council selects a Mayor and Mayor Pro Tem from among its members to serve a one-year term. The Mayor presides over the Council meetings, which are held on the first and third Tuesday of each month. The City Council appoints a City Manager to implement its policies and directives and a City Attorney to serve as its legal counsel.

The City provides a broad range of services including; police and fire protection; construction and maintenance of streets and infrastructure; community development, including planning and zoning, building and safety, and housing activities; water and wastewater services; park and recreational activities; municipal airport and general administrative services.

The budget serves as the foundation for financial planning and control for the City. Budgetary control is maintained to ensure compliance with legal provisions of the annual appropriated budget as approved and modified by the City Council.

### **Red Bluff's Economic Condition**

#### *Local Economy*

The City's main local revenues are on the increase, with our sales tax revenue leading the way with a 14% increase. The current year's property tax revenue is projected to increase by 1%, with a 5% increase for the 2014/15 fiscal year. Sales tax has increased for the fifth straight year in a row, due to new and increased businesses. This increase has triggered an additional increase in some salaries for the prior (2013/14 and 2014/15) fiscal years.

On November 4, 2014, the City's residents voted in a quarter cent sales tax increase to help improve public safety, parks, recreation, and other general fund services. The increase should improve the City's public safety operations, as well as reserves for capital outlay for the general fund activities (police, fire, parks, recreation, and city administration). The sales tax is estimated to change the sales tax revenue increase for 2015/16 fiscal year to a 20% increase.

#### *Long-term Financial Planning*

In the coming years, as the City rebounds from the economic downturn, a number of unfunded obligations will be addressed. The City Council has been developing priorities for the coming year, which will aid in the development of fiscal recovery planning. On October 20, 2015, the City Council updated/affirmed its commitment to fund and maintain a reserve for contingencies of 10% and a reserve for economic uncertainties of 5%. The General Fund, for the first time in many years, has sufficient revenues to meet its desired operating or emergency reserve levels, as outlined in the City's Reserve Policies. However the 2015/16 budget levels reduce that goal to below the required 15%. The budget committee will start to work early, developing a recovery plan that will incorporate measures necessary to replenish operating funds and reserve funds, and ensure the goals of the reserves are met.

### *Relevant Financial Policies*

This financial reserve policy is designed to preserve the fiscal integrity of the City's resources. When the City spends more money than is received in revenue, the fiscal integrity of the City is compromised. The City's budget committee will be reviewing current and future budgets and spending to ensure the reserve policy is upheld.

### *Acknowledgements*

This Consolidated Annual Financial Report is the result of the cooperative effort of many people. We wish to convey our appreciation to the members of the Finance Department who contributed to and assisted with its successful completion of the audit. We would also like to express our appreciation to all the City departments, who provided assistance and support, and to the City Council for their support in planning and committing to conduct the financial operations of the City in a responsible and progressive manner.

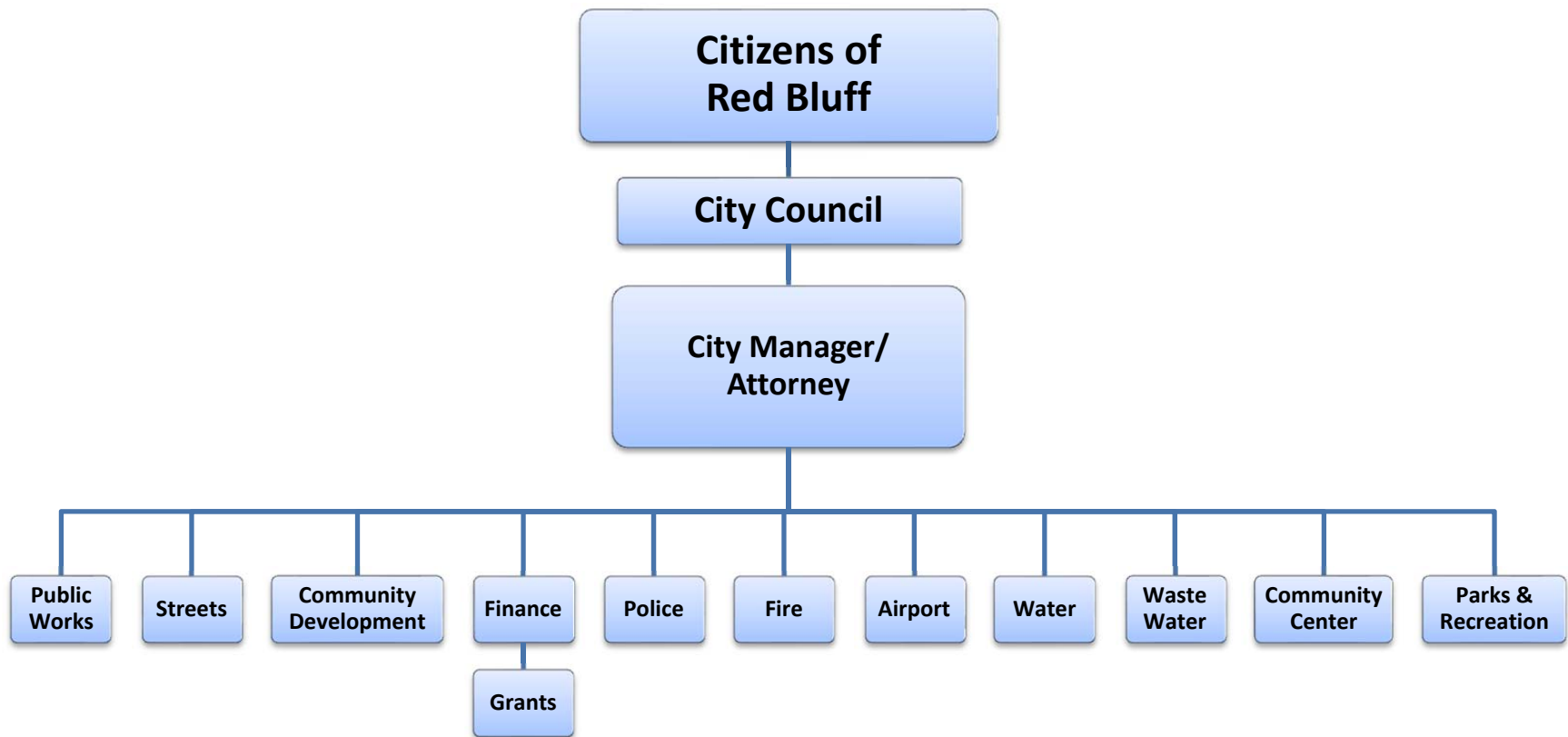
Respectfully Submitted,

A handwritten signature in cursive script, reading "Sandy Ryan", positioned above a horizontal line.

Sandy Ryan, Finance Director

A handwritten signature in cursive script, appearing to read "Richard Crabtree", positioned above a horizontal line.

Richard Crabtree, City Manager/Attorney



Council Committees: Budget Committee and Audit Committee

Boards & Commissions: Board of Appeals, Planning Commission, Airport Commission, Parks & Recreation Advisory Commission



## City of Red Bluff

### LIST OF ELECTED AND APPOINTED OFFICIALS

June 30, 2015

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#### CITY COUNCIL

Mayor ..... Clay Parker  
Mayor Pro Tem ..... Daniele Jackson  
Council Member ..... Gary Jones  
Council Member ..... Suren Patel  
Council Member ..... Rob Schmid

#### ADMINISTRATIVE PERSONNEL

City Manager ..... Richard Crabtree  
City Attorney ..... Richard Crabtree  
City Treasurer ..... Donna Gordy  
Finance Director ..... Sandy Ryan  
Director of Public Works/City Engineer ..... Bruce Henz  
Community Development Director ..... Scott Friend  
Chief of Police ..... Kyle Sanders  
Fire Chief ..... Ray Barber  
City Clerk ..... Jo Anna Lopez

## **FINANCIAL SECTION**



## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and City Council  
City of Red Bluff, 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 Red Bluff (the City), as of and for the year ended June 30, 2015, 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***

The City's 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.

### ***Auditors' 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 auditors' 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 City'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 City'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.

## **INDEPENDENT AUDITORS' REPORT**

(Continued)

### ***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 of Red Bluff, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Traffic Control Capital Improvement Fund, and the Grants/Program Income Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Effect of Adopting New Accounting Standards***

As discussed in note 1 to the basic financial statements, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the fiscal year ended June 30, 2015. Our opinion is not modified with respect to this matter.

### ***Other Matters***

***Required Supplementary Information*** Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 19 and pension disclosure schedules on pages 94 and 95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information*** Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

## **INDEPENDENT AUDITORS' REPORT**

(Continued)

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KCoe Jam, LLP

December 8, 2015  
Redding, California

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Required Supplementary Information)**

# City of Red Bluff

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of City of Red Bluff (the City), we offer readers of the City's Consolidated Annual Financial Report this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015.

### FINANCIAL HIGHLIGHTS

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$55,544,002 (net position). Of this amount, \$1,551,065 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. The City's total net position has increased by \$1,263,299.

As of the close of the current fiscal year, the City's governmental activities reported combined total net position of \$31,292,157. Of this amount \$(8,144,522) is unrestricted and available for use within the City's designation and policies. This deficit is the result of the GASB 68 requirement to include all of the City's net pension liability in the government-wide financial statements.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$32,922 or 0.41% of the total General Fund expenditures. The assigned fund balance is comprised of the following: 1) assigned for contingencies - \$1,212,100 or 15% of the total General Fund expenditures; and 2) assigned for Measure D expenditures - \$187,900 which is the total of Measure D revenues for the 14/15 fiscal year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains combining and individual fund financial statements which provide detail of non-major governmental funds, a GAO section which provides information on the City's internal controls over financial reporting and on the City's federal awards (if any), and a statistical section which provides trend information on the City and its operations.

### 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 liabilities, with the difference between the two reported as net position. 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 timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as for earned but not yet used leave (compensated absences, vacation, and accrued time off).

## **City of Red Bluff**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Continued)

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Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from 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 and administration, public safety, and recreation. The business-type activities of the City include water and waste water, airport, community development and community center.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories - governmental funds and proprietary 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 current sources and uses 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 effect of the government's near-term financing decisions. Both the governmental funds 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 28 governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Traffic Control Capital Improvement Fund, and Grant/Program Income Funds, all of which are considered to be major funds. The General Fund consists of three funds: General, Public Safety, and Parks and Recreation. Data from the other 25 funds are combined into a single, aggregated presentation.

#### **Proprietary Funds**

The City maintains one type 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 its water, waste water, community development, airport, and community center.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Waste Water Funds since both are considered to be major funds of the City. Data from the other three enterprise funds are combined into a single, aggregated presentation.



## City of Red Bluff

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

#### Notes to the Financial Statements

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

#### GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As stated above, the City's assets exceeded liabilities by \$55,544,002 as of June 30, 2015.

The largest portion of the City's net position (77.56%) reflects its net investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service 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.

An additional portion of \$10,910,942 of the City's net assets (19.64%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets \$1,551,065 may be used to meet the government's ongoing obligation to citizens and creditors.

The following table provides a summary of the City's Net Position for the years ended June 30, 2015 and 2014.

#### CITY OF RED BLUFF'S NET POSITION

June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>						
Current and other assets	\$ 16,001,885	\$ 14,663,414	\$ 12,219,237	\$ 10,861,547	\$ 28,221,122	\$ 25,524,961
Capital assets	28,598,447	29,728,582	15,233,790	15,471,432	43,832,237	45,200,014
<b>TOTAL ASSETS</b>	<b>44,600,332</b>	<b>44,391,996</b>	<b>27,453,027</b>	<b>26,332,979</b>	<b>72,053,359</b>	<b>70,724,975</b>
<b>Deferred outflows from pensions</b>						
	784,490	633,615	142,762	83,507	927,252	717,122
<b>LIABILITIES</b>						
Net pension liability	7,574,691	9,852,897	1,588,132	2,090,235	9,162,823	11,943,132
Long-term liabilities	3,364,898	3,588,352	874,773	1,023,517	4,239,671	4,611,869
Other liabilities	680,414	372,088	293,082	234,305	973,496	606,393
<b>TOTAL LIABILITIES</b>	<b>11,620,003</b>	<b>13,813,337</b>	<b>2,755,987</b>	<b>3,348,057</b>	<b>14,375,990</b>	<b>17,161,394</b>
<b>Deferred inflows from pensions</b>						
	2,472,662	-	587,957	-	3,060,619	-
<b>NET POSITION</b>						
Net investment in capital assets	28,525,737	29,608,502	14,556,258	14,665,508	43,081,995	44,274,010
Restricted	10,910,942	9,840,230	-	-	10,910,942	9,840,230
Unrestricted	(8,144,522)	(8,236,458)	9,695,587	8,402,921	1,551,065	166,463
<b>TOTAL NET POSITION</b>	<b>\$ 31,292,157</b>	<b>\$ 31,212,274</b>	<b>\$ 24,251,845</b>	<b>\$ 23,068,429</b>	<b>\$ 55,544,002</b>	<b>\$ 54,280,703</b>

## City of Red Bluff

### MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

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As of June 30, 2015, the City is able to report positive balances in all three categories of net position for the government as a whole. **Implementation of GASB 68 has resulted in a restatement of 2014 unrestricted net assets, as the City is now required to report net pension liability. This resulted in a decrease in unrestricted net position of \$11,226,010 for the 2014 fiscal year.** The governmental activities net position increased \$79,883 mainly due to increased revenues. The business activities net position increased \$1,183,416 mainly due to water and wastewater revenues exceeding expenditures for the current year. As a portion of the revenues is used to fund future infrastructure repair and replacement, there will be years when the expenditures exceed revenue, when major infrastructure repair and replacement are performed.

# City of Red Bluff

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

### Analysis of the City's Operations

The following table provides a summary of the City's operations for the years ended June 30, 2015 and 2014.

#### CITY OF RED BLUFF'S STATEMENT OF ACTIVITIES

Years Ended June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 572,319	\$ 549,486	\$ 5,844,338	\$ 5,937,504	\$ 6,416,657	\$ 6,486,990
Operating grants and contributions	902,343	749,627	83,318	77,175	985,661	826,802
Capital grants and contributions	191,479	32,149	36,348	10,128	227,827	42,277
General Revenues:						
Sales taxes	3,386,116	2,972,009	-	-	3,386,116	2,972,009
Property taxes	1,396,361	1,330,013	-	67,617	1,396,361	1,397,630
Motel taxes	835,533	720,122	-	-	835,533	720,122
Special gas taxes	364,333	478,119	-	-	364,333	478,119
Franchise taxes	324,229	306,342	-	-	324,229	306,342
Other taxes	221,998	219,093	-	-	221,998	219,093
Motor vehicle license fees	992,407	979,512	-	-	992,407	979,512
Impact fees	1,454,334	8,551	-	-	1,454,334	8,551
Gain/(Loss) on sale of assets	30,560	1,200	-	-	30,560	1,200
Investment earnings	145,522	130,680	77,649	62,019	223,171	192,699
<b>Total Revenues</b>	<b>10,817,534</b>	<b>8,476,903</b>	<b>6,041,653</b>	<b>6,154,443</b>	<b>16,859,187</b>	<b>14,631,346</b>
<b>Expenses</b>						
General Government:						
City administration	393,618	356,920	-	-	393,618	356,920
Finance	455,859	407,240	-	-	455,859	407,240
Community promotion and economic development	99,330	102,792	-	-	99,330	102,792
Human resources	139,099	114,370	-	-	139,099	114,370
Engineering and administration	92,074	121,491	-	-	92,074	121,491
Government buildings	148,608	147,159	-	-	148,608	147,159
General government	297,374	171,826	-	-	297,374	171,826
Public Safety:						
Fire	1,948,383	1,779,441	-	-	1,948,383	1,779,441
Police	4,847,057	4,430,643	-	-	4,847,057	4,430,643
Parks and recreation	221,909	429,042	-	-	221,909	429,042
Transportation and streets	2,386,819	2,197,832	-	-	2,386,819	2,197,832
Grants and program income	305,553	185,102	-	-	305,553	185,102
Community development	-	-	280,094	332,345	280,094	332,345
Waste water	-	-	2,148,694	1,807,789	2,148,694	1,807,789
Water	-	-	1,354,882	1,310,922	1,354,882	1,310,922
Airport	-	-	181,269	204,006	181,269	204,006
Community center	-	-	295,266	259,764	295,266	259,764
<b>Total Expenses</b>	<b>11,335,683</b>	<b>10,443,858</b>	<b>4,260,205</b>	<b>3,914,826</b>	<b>15,595,888</b>	<b>14,358,684</b>
<b>Excess (deficiency) before transfers</b>	<b>(518,149)</b>	<b>(1,966,955)</b>	<b>1,781,448</b>	<b>2,239,617</b>	<b>1,263,299</b>	<b>272,662</b>
Transfers	598,032	541,691	(598,032)	(541,691)	-	-
<b>Change in Net Position</b>						
(Expense) revenue - net	79,883	(1,425,264)	1,183,416	1,697,926	1,263,299	272,662
<b>Net Position - Beg. of Year</b>	<b>31,212,274</b>	<b>41,856,820</b>	<b>23,068,429</b>	<b>23,377,231</b>	<b>54,280,703</b>	<b>65,234,051</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>(9,219,282)</b>	<b>-</b>	<b>(2,006,728)</b>	<b>-</b>	<b>(11,226,010)</b>
<b>Net Position - End of Year</b>	<b>\$ 31,292,157</b>	<b>\$ 31,212,274</b>	<b>\$ 24,251,845</b>	<b>\$ 23,068,429</b>	<b>\$ 55,544,002</b>	<b>\$ 54,280,703</b>

## City of Red Bluff

### MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The governmental activities change in net position increased by \$1,505,147 mainly due to increased impact fee revenue, offset by an increase in expenses (mainly salary and benefits increases). The business activities change in net position decreased \$514,510 mainly due to decrease charges for services in the water department due to conservation efforts, and decreased tax revenue as sales taxes were not allocated to the airport in 2014/15. Overall the primary government net position has increased from the prior year.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The following table provides a summary of the City's change in fund balance for the year ended June 30, 2015.

	General Fund	Traffic Control Capital Improvement Fund	Grants/Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues	\$ 8,002,918	\$ 588,869	\$ 6,001	\$ 2,117,458	\$ 10,715,246
Expenditures	8,081,108	159,931	128,166	1,373,788	9,742,993
Other financing sources (uses) - net	617,623	-	-	(19,591)	598,032
<b>Change in Fund Balances</b>	<b>539,433</b>	<b>428,938</b>	<b>(122,165)</b>	<b>724,079</b>	<b>1,570,285</b>
<b>Fund Balance, July 1, 2014</b>	<b>893,489</b>	<b>1,920,020</b>	<b>4,170,540</b>	<b>4,813,262</b>	<b>11,797,311</b>
<b>Fund Balance, June 30, 2015</b>	<b>\$ 1,432,922</b>	<b>\$ 2,348,958</b>	<b>\$ 4,048,375</b>	<b>\$ 5,537,341</b>	<b>\$ 13,367,596</b>

The main reason for the general fund increase in fund balance is larger than expected revenues for sales tax, motel tax, and intergovernmental revenue-grants. The main reason for the traffic control capital improvement fund increase in fund balance is impact fee revenue from a large commercial development. The main reason for the grants/program income fund decrease in fund balance is program expenses for ongoing CDBG and HOME grants. The main reason for the non-major governmental funds increase in fund balance is impact fee revenue from a large commercial development.

### 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. Also, assigned fund balance has been set aside for contingencies, or unexpected expenditures. The general fund increased the assigned fund balance by \$550,000 over the prior year, bringing the City to its goal of 15% of annual expenditures assigned for contingencies. The current assigned fund balance of \$1,400,000 is detailed as follows: \$187,900 assigned for Measure D expenditures, and \$1,212,100 assigned for contingencies.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,367,596. Approximately 11.30% of this total amount constitutes unassigned and assigned fund balance. The remainder of the fund balance is nonspendable, restricted, or committed to indicate that it is not available for general operational spending because it is required or committed to be used for certain expenditures.

## **City of Red Bluff**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Continued)

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#### **Proprietary Funds**

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the respective major proprietary funds are Waste Water Fund \$4,577,450 and Water Fund \$4,980,587. All Other Enterprise Funds had unrestricted net position of \$137,550.

#### **General Fund Budgetary Highlights**

In the General Fund, the City budgeted for a reduction in the fund balance of \$349,789 which was a result of authorized budgeted expenditures exceeding appropriations. Actual revenues were \$8,002,918 with final budget being \$7,255,606 with a favorable variance of \$747,312 and actual expenditures being less than budgeted expenditures with a favorable variance of \$87,025.

The City made revisions to the original appropriations approved by the City Council. These changes resulted in an increase in the General Fund revenues and expenditures from the original budget by \$123,257 and \$341,785, respectively. The increases were due to new grants and donations which increased revenue and expenditures by the same amount, and increases in salaries expense, computer equipment and services, and supplies and services expense. General fund expenditures for fire public safety, police public safety, and debt service were over budget by \$999, \$5,027, and \$44,539, respectively. However, General Fund expenditures overall were \$87,025 under budget.

The City's total budgeted revenue at final budget was \$7,255,606. The majority of the revenue received over budgeted was sales taxes, motel tax and intergovernmental revenues.

#### **CAPITAL ASSETS**

The City of Red Bluff's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$43,832,237 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements, infrastructure, vehicles, and construction in progress. Additional information is located in the Notes to the Financial Statements.

The major capital asset events during the current fiscal year include the following additions:

- Wastewater: \$447,000 in Montgomery Road main waste water upgrades and improvements
- Water: \$44,000 in well improvements and system upgrades
- Public Works: \$177,500 in equipment (bucket truck and wheel loader); \$56,000 in road design and improvements; and \$26,000 in traffic signals
- Airport: \$20,000 in building improvements and \$29,000 in runway rehabilitation
- Police: \$22,000 in equipment (five mobile computers)
- General Government- \$55,000 in equipment (emergency generator)
- Parks & Recreation- \$172,500 in a new boat launch and \$5,500 in equipment (park maintenance ATV)

## City of Red Bluff

### MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

#### CAPITAL ASSETS AT YEAR END NET OF ACCUMULATED DEPRECIATION

Years Ended June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 305,206	\$ 305,206	\$ 910,368	\$ 910,368	\$ 1,215,574	\$ 1,215,574
Buildings	186,192	204,015	168,524	181,691	354,716	385,706
Improvements	1,383,179	1,454,938	8,165,151	8,566,269	9,548,330	10,021,207
Equipment	403,435	270,745	47,573	51,798	451,008	322,543
Vehicles	273,194	393,971	34,112	52,827	307,306	446,798
Infrastructure	25,696,512	26,968,638	5,607,378	5,363,156	31,303,890	32,331,794
Construction in progress	350,729	131,069	300,684	345,323	651,413	476,392
<b>Total</b>	<b>\$ 28,598,447</b>	<b>\$ 29,728,582</b>	<b>\$ 15,233,790</b>	<b>\$ 15,471,432</b>	<b>\$ 43,832,237</b>	<b>\$ 45,200,014</b>

#### DEBT ADMINISTRATION

At the end of the current fiscal year, the City had a total loans payable of \$2,055,532. At the end of the current fiscal year, the City had a total capital leases payable of \$72,710. At the end of the current fiscal year, the City had a total leave/OPEB payable of \$2,111,428. Additional information is located in the Notes to the Financial Statements.

There were no major changes in the debt payable this year.

#### OUTSTANDING DEBT AT YEAR END

Years Ended June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Compensated absences/OPEB	\$ 1,914,188	\$ 1,828,272	\$ 197,240	\$ 217,593	\$ 2,111,428	\$ 2,045,865
Notes payable	1,450,710	1,760,080	677,532	805,924	2,128,242	2,566,004
<b>Total</b>	<b>\$ 3,364,898</b>	<b>\$ 3,588,352</b>	<b>\$ 874,772</b>	<b>\$ 1,023,517</b>	<b>\$ 4,239,670</b>	<b>\$ 4,611,869</b>

#### ECONOMIC FACTORS INFLUENCING NEXT YEAR'S BUDGETS

City Management recommended and the City Council considered several important factors in adopting the 2015-16 budget, which includes:

1. A continuing slow rebound to the economic downturn.
2. The State budget actions and its impact on City finances.
3. City responsibility to meet the obligation of its collective bargaining agreements and those impacts on employee salary, health, and pension costs.
4. Court mandated improvements to City infrastructure.
5. Aging of the City's computer systems, fleets, equipment, and infrastructure.
6. Major increases in health insurance, workers' compensation, and liability costs.

## **City of Red Bluff**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Continued)

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#### **REQUEST FOR INFORMATION**

The financial report is designed to provide our citizens, customers, investors, and creditors with general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance, Attn: Finance Director, at 555 Washington Street, Red Bluff, California 96080, or call (530) 527-2605.

## **BASIC FINANCIAL STATEMENTS**



# City of Red Bluff

## STATEMENT OF NET POSITION

June 30, 2015	Governmental Activities	Business-Type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 7,961,050	\$ 11,175,217	\$ 19,136,267
Investments	992,450	-	992,450
Receivables:			
Taxes	207,424	-	207,424
Accounts - net	26,256	621,338	647,594
Interest	1,048,046	2,587	1,050,633
Due from other governments	964,579	58,337	1,022,916
Prepaid pension expense	1,279,879	-	1,279,879
Internal balances	(361,758)	361,758	-
Loans receivable	3,883,959	-	3,883,959
Nondepreciable capital assets	655,935	1,211,052	1,866,987
Depreciable capital assets - net	27,942,512	14,022,738	41,965,250
<b>Total Assets</b>	<b>44,600,332</b>	<b>27,453,027</b>	<b>72,053,359</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows from pensions	784,490	142,762	927,252
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 45,384,822</b>	<b>\$ 27,595,789</b>	<b>\$ 72,980,611</b>

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

**City of Red Bluff****STATEMENT OF NET POSITION**

(Continued)

June 30, 2015	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>			
<b>Liabilities</b>			
Accounts payable	\$ 118,293	\$ 132,562	\$ 250,855
Accrued interest payable	9	10,600	10,609
Accrued payroll and benefits	157,551	27,551	185,102
Customer/employee deposits	5,077	119,595	124,672
Other liabilities	399,484	2,774	402,258
Net pension liability	7,574,691	1,588,132	9,162,823
Long-term liabilities:			
Due within one year	635,850	180,018	815,868
Due in more than one year	2,729,048	694,755	3,423,803
<b>Total Liabilities</b>	<b>11,620,003</b>	<b>2,755,987</b>	<b>14,375,990</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows from pension	2,472,662	587,957	3,060,619
<b>Net Position</b>			
Net investment in capital assets	28,525,737	14,556,258	43,081,995
Restricted for:			
Grant programs and program income	4,250,659	-	4,250,659
Impact fee development	5,366,092	-	5,366,092
Transportation	1,047,663	-	1,047,663
Other	246,528	-	246,528
Unrestricted	(8,144,522)	9,695,587	1,551,065
<b>Total Net Position</b>	<b>31,292,157</b>	<b>24,251,845</b>	<b>55,544,002</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 45,384,822</b>	<b>\$ 27,595,789</b>	<b>\$ 72,980,611</b>

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

# City of Red Bluff

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2015	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>					
Governmental activities:					
General government:					
City administration	\$ 393,618	\$ -	\$ -	\$ -	\$ (393,618)
Finance	455,859	-	-	-	(455,859)
Community promotion and economic development	99,330	-	-	-	(99,330)
Human resources	139,099	-	-	-	(139,099)
Engineering and administration	92,074	-	-	-	(92,074)
Government buildings	148,608	-	-	-	(148,608)
General government	297,374	390,026	49,444	-	142,096
Public safety:					
Fire	1,948,383	41,494	-	-	(1,906,889)
Police	4,847,057	81,411	537,289	430	(4,227,927)
Parks and recreation	221,909	54,493	16,112	-	(151,304)
Transportation and streets	2,386,819	-	294,498	-	(2,092,321)
Grants and program income	305,553	4,895	5,000	191,049	(104,609)
<b>Total Governmental Activities</b>	<b>11,335,683</b>	<b>572,319</b>	<b>902,343</b>	<b>191,479</b>	<b>(9,669,542)</b>
Business-type activities:					
Community development	280,094	536,699	-	-	256,605
Waste water	2,148,694	2,915,534	-	-	766,840
Water	1,354,882	2,137,292	-	-	782,410
Airport	181,269	130,101	-	36,348	(14,820)
Community center	295,266	124,712	83,318	-	(87,236)
<b>Total Business-Type Activities</b>	<b>4,260,205</b>	<b>5,844,338</b>	<b>83,318</b>	<b>36,348</b>	<b>1,703,799</b>
<b>Total Primary Government</b>	<b>\$ 15,595,888</b>	<b>\$ 6,416,657</b>	<b>\$ 985,661</b>	<b>\$ 227,827</b>	<b>\$ (7,965,743)</b>

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

**City of Red Bluff**  
**STATEMENT OF ACTIVITIES**  
(Continued)

Year Ended June 30, 2015	Governmental Activities	Business-Type Activities	Total
<b>Change in Net Position</b>			
(Expense) revenue - net	\$ (9,669,542)	\$ 1,703,799	\$ (7,965,743)
<b>General Revenues and Transfers</b>			
General revenues:			
Taxes:			
Sales taxes	3,386,116	-	3,386,116
Property taxes	1,396,361	-	1,396,361
Motel taxes	835,533	-	835,533
Special gas taxes	364,333	-	364,333
Franchise taxes	324,229	-	324,229
Other taxes	221,998	-	221,998
Motor vehicle license fees	992,407	-	992,407
Impact fees	1,454,334	-	1,454,334
Investment earnings	145,522	77,649	223,171
Gain on sale of assets	30,560	-	30,560
Transfers	598,032	(598,032)	-
<b>Total General Revenues and Transfers</b>	<b>9,749,425</b>	<b>(520,383)</b>	<b>9,229,042</b>
<b>Change in Net Position</b>	<b>79,883</b>	<b>1,183,416</b>	<b>1,263,299</b>
<b>Net Position - Beginning of Year</b>	<b>31,212,274</b>	<b>23,068,429</b>	<b>54,280,703</b>
<b>Net Position - End of Year</b>	<b>\$ 31,292,157</b>	<b>\$ 24,251,845</b>	<b>\$ 55,544,002</b>

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

# City of Red Bluff

## BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2015	General Fund	Traffic Control Capital Improvement Fund	Grants/Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 2,348,565	\$ 162,947	\$ 5,449,538	\$ 7,961,050
Investments	992,450	-	-	-	992,450
Receivables:					
Taxes	207,424	-	-	-	207,424
Accounts	16,655	-	207	9,394	26,256
Interest	-	393	1,046,875	778	1,048,046
Loans	-	-	3,883,959	-	3,883,959
Due from other governments	769,830	-	2,905	191,844	964,579
<b>TOTAL ASSETS</b>	<b>\$ 1,986,359</b>	<b>\$ 2,348,958</b>	<b>\$ 5,096,893</b>	<b>\$ 5,651,554</b>	<b>\$ 15,083,764</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 94,519	\$ -	\$ 1,670	\$ 22,104	\$ 118,293
Accrued payroll and benefits	144,825	-	-	12,726	157,551
Customer/employee deposits	5,077	-	-	-	5,077
Accrued interest payable	-	-	-	9	9
Other liabilities	18,535	-	-	8,097	26,632
Due to other funds	290,481	-	-	71,277	361,758
<b>Total Liabilities</b>	<b>553,437</b>	<b>-</b>	<b>1,670</b>	<b>114,213</b>	<b>669,320</b>
<b>Deferred Inflows of Resources</b>					
Interest on notes receivable	-	-	1,046,848	-	1,046,848
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	3,883,959	-	3,883,959
Restricted	-	2,303,956	161,789	4,450,244	6,915,989
Committed	-	-	-	1,057,287	1,057,287
Assigned	1,400,000	45,002	2,627	85,153	1,532,782
Unassigned	32,922	-	-	(55,343)	(22,421)
<b>Total Fund Balances (Deficit)</b>	<b>1,432,922</b>	<b>2,348,958</b>	<b>4,048,375</b>	<b>5,537,341</b>	<b>13,367,596</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,986,359</b>	<b>\$ 2,348,958</b>	<b>\$ 5,096,893</b>	<b>\$ 5,651,554</b>	<b>\$ 15,083,764</b>

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

## City of Red Bluff

### RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2015

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<b>Total Fund Balances Included in the Balance Sheet - Governmental Funds</b>	<b>\$ 13,367,596</b>
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Assets recorded within the Statement of Net Position not reported in  
the funds:

Prepaid pension expenses		1,279,879
Nondepreciable capital assets		655,935
Depreciable capital assets	\$ 62,501,584	
Accumulated depreciation	<u>(34,559,072)</u>	27,942,512

Deferred inflows of resources recorded within the funds not reported in  
the Statement of Net Position:

Interest on notes receivable	1,046,848
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Liabilities recorded within the Statement of Net Position not reported in  
the funds:

Net pension liability	(7,574,691)
Compensated absences	(1,208,240)
Long-term obligations	(1,450,710)
Other postemployment benefits obligation	(705,948)
Liability for workers' compensation program	(372,852)

Deferred inflows and outflows recorded within the statement of net  
position not reported in the funds:

Deferred outflows of resources relating to pensions	784,490
Deferred inflows of resources relating to pensions	<u>(2,472,662)</u>

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<b>Net Position Reported Within the Statement of Net Position - Governmental Activities</b>	<b>\$ 31,292,157</b>
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*The accompanying notes are an integral part of these financial statements.*

# City of Red Bluff

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Year Ended June 30, 2015	General Fund	Traffic Control Capital Improvement Fund	Grants/ Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Sales taxes	\$ 3,386,116	\$ -	\$ -	\$ -	\$ 3,386,116
Property taxes	1,396,361	-	-	-	1,396,361
Motel taxes	835,533	-	-	-	835,533
Franchise taxes	324,229	-	-	-	324,229
Other taxes	43,463	-	-	161,049	204,512
Licenses and permits	390,072	-	-	-	390,072
Fines, forfeitures, and penalties	18,160	-	-	30,117	48,277
Use of money and property	1,027	12,239	1,187	28,782	43,235
Intergovernmental revenue	1,354,833	-	-	979,603	2,334,436
Charges for current services	100,901	-	-	-	100,901
Other revenues	152,223	576,630	4,814	917,907	1,651,574
<b>Total Revenues</b>	<b>8,002,918</b>	<b>588,869</b>	<b>6,001</b>	<b>2,117,458</b>	<b>10,715,246</b>
<b>Expenditures</b>					
Current:					
General government	1,325,612	-	-	-	1,325,612
Fire public safety	1,804,086	-	-	-	1,804,086
Police public safety	4,203,081	-	-	-	4,203,081
Parks and recreation	330,534	-	-	-	330,534
Transportation and streets	-	1,365	-	927,242	928,607
Grants and program income	-	-	128,166	5,000	133,166
Capital outlay	49,850	158,566	-	432,114	640,530
Debt service:					
Principal	301,639	-	-	6,265	307,904
Interest	66,306	-	-	3,167	69,473
<b>Total Expenditures</b>	<b>8,081,108</b>	<b>159,931</b>	<b>128,166</b>	<b>1,373,788</b>	<b>9,742,993</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(78,190)</b>	<b>428,938</b>	<b>(122,165)</b>	<b>743,670</b>	<b>972,253</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	729,454	-	-	232,404	961,858
Transfers out	(111,831)	-	-	(251,995)	(363,826)
<b>Total Other Financing Sources (Uses)</b>	<b>617,623</b>	<b>-</b>	<b>-</b>	<b>(19,591)</b>	<b>598,032</b>
<b>Net Change in Fund Balances</b>	<b>539,433</b>	<b>428,938</b>	<b>(122,165)</b>	<b>724,079</b>	<b>1,570,285</b>
<b>Fund Balances - Beginning of Year</b>	<b>893,489</b>	<b>1,920,020</b>	<b>4,170,540</b>	<b>4,813,262</b>	<b>11,797,311</b>
<b>Fund Balances - End of Year</b>	<b>\$ 1,432,922</b>	<b>\$ 2,348,958</b>	<b>\$ 4,048,375</b>	<b>\$ 5,537,341</b>	<b>\$ 13,367,596</b>

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

## City of Red Bluff

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

Year Ended June 30, 2015

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**Total Net Change in Fund Balance Included in the Statement  
of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds**

\$ 1,570,285

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

Capital outlay	\$ 515,752	
Depreciation expense	<u>(1,644,423)</u>	(1,128,671)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Interest income	102,360
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The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal payments on debt	307,904
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In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis.

Employer contributions	157,932
Pension costs	(201,513)

Some transactions reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other Postemployment benefit expense	(113,982)
CalPERS pension side fund expense	(269,647)
Workers' compensation program expense	(372,852)
Compensated absences expense	28,067

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**Net Change in Net Position Reported Within the Statement of  
Activities - Governmental Activities**

\$ 79,883

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



# City of Red Bluff

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2015	General Fund				Grants/Program Income Fund			
	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final			Original	Final		
<b>Revenues</b>								
Sales taxes	\$ 2,913,000	\$ 2,969,673	\$ 3,386,116	\$ 416,443	\$ -	\$ -	\$ -	\$ -
Property taxes	1,377,025	1,377,025	1,396,361	19,336	-	-	-	-
Motel taxes	685,000	685,000	835,533	150,533	-	-	-	-
Franchise taxes	305,000	305,000	324,229	19,229	-	-	-	-
Other taxes	39,550	39,550	43,463	3,913	-	-	-	-
Licenses and permits	353,000	353,000	390,072	37,072	-	-	-	-
Fines, forfeitures, and penalties	17,100	17,100	18,160	1,060	-	-	-	-
Use of money and property	-	-	1,027	1,027	850	850	1,187	337
Intergovernmental revenue	1,229,749	1,259,714	1,354,833	95,119	800,000	800,000	-	(800,000)
Charges for current services	83,125	90,837	100,901	10,064	-	-	-	-
Other revenues	129,800	158,707	152,223	(6,484)	-	-	4,814	4,814
<b>Total Revenues</b>	<b>7,132,349</b>	<b>7,255,606</b>	<b>8,002,918</b>	<b>747,312</b>	<b>800,850</b>	<b>800,850</b>	<b>6,001</b>	<b>(794,849)</b>
<b>Expenditures</b>								
Current:								
General government	1,325,949	1,394,218	1,325,612	68,606	-	-	-	-
Fire public safety	1,708,226	1,803,087	1,804,086	(999)	-	-	-	-
Police public safety	4,048,018	4,198,054	4,203,081	(5,027)	-	-	-	-
Parks and recreation	335,129	349,458	330,534	18,924	-	-	-	-
Transportation and streets	-	-	-	-	-	-	-	-
Grants and program income	-	-	-	-	720,000	767,750	128,166	639,584
Capital outlay	85,620	99,910	49,850	50,060	-	-	-	-
Debt service:								
Principal	283,406	283,406	301,639	(18,233)	-	-	-	-
Interest	40,000	40,000	66,306	(26,306)	-	-	-	-
<b>Total Expenditures</b>	<b>7,826,348</b>	<b>8,168,133</b>	<b>8,081,108</b>	<b>87,025</b>	<b>720,000</b>	<b>767,750</b>	<b>128,166</b>	<b>639,584</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(693,999)</b>	<b>(912,527)</b>	<b>(78,190)</b>	<b>834,337</b>	<b>80,850</b>	<b>33,100</b>	<b>(122,165)</b>	<b>(155,265)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	707,634	707,634	729,454	21,820	-	-	-	-
Transfers out	(144,896)	(144,896)	(111,831)	33,065	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>562,738</b>	<b>562,738</b>	<b>617,623</b>	<b>54,885</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(131,261)</b>	<b>(349,789)</b>	<b>539,433</b>	<b>889,222</b>	<b>80,850</b>	<b>33,100</b>	<b>(122,165)</b>	<b>(155,265)</b>
<b>Fund Balances - Beginning of Year</b>	<b>893,489</b>	<b>893,489</b>	<b>893,489</b>	<b>-</b>	<b>4,170,540</b>	<b>4,170,540</b>	<b>4,170,540</b>	<b>-</b>
<b>Fund Balances - End of Year</b>	<b>\$ 762,228</b>	<b>\$ 543,700</b>	<b>\$ 1,432,922</b>	<b>\$ 889,222</b>	<b>\$ 4,251,390</b>	<b>\$ 4,203,640</b>	<b>\$ 4,048,375</b>	<b>\$ (155,265)</b>

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

# City of Red Bluff

## STATEMENT OF NET POSITION – PROPRIETARY FUNDS

June 30, 2015	Waste Water Fund	Water Fund	Nonmajor Enterprise Funds	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 5,362,207	\$ 5,054,140	\$ 758,870	\$ 11,175,217
Receivables:				
Accounts - net	356,201	261,725	3,412	621,338
Interest	1,029	1,412	146	2,587
Due from other governments	-	-	58,337	58,337
Due from other funds	-	653,407	-	653,407
<b>Total Current Assets</b>	<b>5,719,437</b>	<b>5,970,684</b>	<b>820,765</b>	<b>12,510,886</b>
<b>Noncurrent Assets</b>				
Nondepreciable capital assets	624,010	146,117	440,925	1,211,052
Depreciable capital assets - net	4,680,512	7,743,640	1,598,586	14,022,738
<b>Total Noncurrent Assets</b>	<b>5,304,522</b>	<b>7,889,757</b>	<b>2,039,511</b>	<b>15,233,790</b>
<b>Total Assets</b>	<b>11,023,959</b>	<b>13,860,441</b>	<b>2,860,276</b>	<b>27,744,676</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows from pensions	50,406	53,007	39,349	142,762
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 11,074,365</b>	<b>\$ 13,913,448</b>	<b>\$ 2,899,625</b>	<b>\$ 27,887,438</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 50,536	\$ 57,610	\$ 24,416	\$ 132,562
Accrued interest payable	10,180	397	23	10,600
Accrued payroll and benefits	10,105	10,488	6,958	27,551
Customer/employee deposits	-	109,858	9,737	119,595
Other liabilities	79	6	2,689	2,774
Due to other funds	256,165	-	35,484	291,649
Compensated absences payable - current	24,251	14,192	10,868	49,311
Bonds and loan payable - current	130,707	-	-	130,707
<b>Total Current Liabilities</b>	<b>482,023</b>	<b>192,551</b>	<b>90,175</b>	<b>764,749</b>
<b>Noncurrent Liabilities</b>				
Net pension liability	560,730	589,671	437,731	1,588,132
Compensated absences - net	72,754	42,575	32,601	147,930
Bonds and loans payable - net	546,825	-	-	546,825
<b>Total Noncurrent Liabilities</b>	<b>1,180,309</b>	<b>632,246</b>	<b>470,332</b>	<b>2,282,887</b>
<b>Total Liabilities</b>	<b>1,662,332</b>	<b>824,797</b>	<b>560,507</b>	<b>3,047,636</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows from pension	207,593	218,307	162,057	587,957
<b>Net Position</b>				
Net investment in capital assets	4,626,990	7,889,757	2,039,511	14,556,258
Unrestricted	4,577,450	4,980,587	137,550	9,695,587
<b>Total Net Position</b>	<b>9,204,440</b>	<b>12,870,344</b>	<b>2,177,061</b>	<b>24,251,845</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 11,074,365</b>	<b>\$ 13,913,448</b>	<b>\$ 2,899,625</b>	<b>\$ 27,887,438</b>

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

# City of Red Bluff

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS

Year Ended June 30, 2015	Waste Water Fund	Water Fund	Nonmajor Enterprise Funds	Totals
<b>Operating Revenues</b>				
Charges for current services:				
Waste water and water charges	\$ 2,913,763	\$ 2,131,517	\$ -	\$ 5,045,280
Permits and fees	-	-	536,699	536,699
Rental revenue	-	-	221,533	221,533
Other revenue	1,771	5,775	33,280	40,826
<b>Total Operating Revenues</b>	<b>2,915,534</b>	<b>2,137,292</b>	<b>791,512</b>	<b>5,844,338</b>
<b>Operating Expenses</b>				
Cost of power and transportation	225,696	319,707	64,484	609,887
Maintenance, operations, and administration	1,586,939	739,214	556,613	2,882,766
Depreciation expense	322,861	282,559	135,096	740,516
<b>Total Operating Expenses</b>	<b>2,135,496</b>	<b>1,341,480</b>	<b>756,193</b>	<b>4,233,169</b>
<b>Operating Income (Loss)</b>	<b>780,038</b>	<b>795,812</b>	<b>35,319</b>	<b>1,611,169</b>
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental revenues	-	-	119,666	119,666
Investment income	29,472	43,936	4,241	77,649
Interest expense	(13,198)	(13,402)	(436)	(27,036)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>16,274</b>	<b>30,534</b>	<b>123,471</b>	<b>170,279</b>
<b>Income Before Operating Transfers</b>	<b>796,312</b>	<b>826,346</b>	<b>158,790</b>	<b>1,781,448</b>
Transfers in	-	44,120	111,156	155,276
Transfers out	(329,541)	(272,013)	(151,754)	(753,308)
<b>Change in Net Position</b>	<b>466,771</b>	<b>598,453</b>	<b>118,192</b>	<b>1,183,416</b>
<b>Total Net Position - Beginning of Year</b>	<b>8,737,669</b>	<b>12,271,891</b>	<b>2,058,869</b>	<b>23,068,429</b>
<b>Total Net Position - End of Year</b>	<b>\$ 9,204,440</b>	<b>\$ 12,870,344</b>	<b>\$ 2,177,061</b>	<b>\$ 24,251,845</b>

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

# City of Red Bluff

## STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

Year Ended June 30, 2015	Waste Water Fund	Water Fund	Nonmajor Enterprise Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 2,994,262	\$ 2,251,068	\$ 793,792	\$ 6,039,122
Cash paid to employees (including employee benefits)	(457,226)	(483,455)	(418,592)	(1,359,273)
Cash paid to suppliers	(1,314,121)	(550,434)	(212,015)	(2,076,570)
<b>Net Cash Provided by Operating Activities</b>	<b>1,222,915</b>	<b>1,217,179</b>	<b>163,185</b>	<b>2,603,279</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash received from (paid to) other funds	256,165	(525,587)	(4,325)	(273,747)
Transfers in	-	44,120	111,156	155,276
Transfers out	(329,541)	(272,013)	(151,754)	(753,308)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(73,376)</b>	<b>(753,480)</b>	<b>(44,923)</b>	<b>(871,779)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Intergovernmental revenue received	-	-	108,504	108,504
Payments for the purchase of capital assets	(447,302)	(44,608)	(49,341)	(541,251)
Proceeds from the sale of capital assets	38,377	-	-	38,377
Debt principal paid	(128,392)	-	-	(128,392)
Debt interest paid	(15,127)	(13,490)	(450)	(29,067)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(552,444)</b>	<b>(58,098)</b>	<b>58,713</b>	<b>(551,829)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	29,211	43,777	4,206	77,194
<b>Net Cash Provided by Investing Activities</b>	<b>29,211</b>	<b>43,777</b>	<b>4,206</b>	<b>77,194</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>626,306</b>	<b>449,378</b>	<b>181,181</b>	<b>1,256,865</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>4,735,901</b>	<b>4,604,762</b>	<b>577,689</b>	<b>9,918,352</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 5,362,207</b>	<b>\$ 5,054,140</b>	<b>\$ 758,870</b>	<b>\$ 11,175,217</b>

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

# City of Red Bluff

## STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

(Continued)

Year Ended June 30, 2015	Waste Water Fund	Water Fund	Nonmajor Enterprise Funds	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 780,038	\$ 795,812	\$ 35,319	\$ 1,611,169
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	322,861	282,559	135,096	740,516
Changes in:				
Accounts receivable	78,728	104,378	1,433	184,539
Deferred outflows from pensions	(20,922)	(22,001)	(16,332)	(59,255)
Accounts payable	18,209	10,260	9,828	38,297
Accrued payroll and benefits	4,864	4,537	999	10,400
Customer/employee deposits	12	9,398	847	10,257
Other liabilities	-	(83)	1,937	1,854
Net pension liability	(177,280)	(186,430)	(138,393)	(502,103)
Compensated absences payable	8,812	442	(29,606)	(20,352)
Deferred inflows from pensions	207,593	218,307	162,057	587,957
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,222,915</b>	<b>\$ 1,217,179</b>	<b>\$ 163,185</b>	<b>\$ 2,603,279</b>

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

# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Red Bluff, California (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### Implementation of New Accounting Standards

**Governmental Accounting Standards Board Statements No. 68 and 71** The City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the fiscal year ended June 30, 2015. This statement improves financial reporting for pensions and the information provided about financial support for pensions that are provided by other entities. GASB Statement No. 68, as amended by GASB Statement No. 71, also establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71:

	Governmental Activities
<b>Net Position - as Previously Reported</b>	\$ 40,431,556
<b>Cumulative Effect of Change in Accounting Principles</b>	
Net pension liability (measurement date as of June 30, 2013)	(9,852,897)
<b>Deferred Outflows</b>	
Pension contributions made during fiscal year 2013-14	633,615
<b>Cumulative Effect of Change in Account Principles</b>	(9,219,282)
<b>Net position - as restated</b>	\$ 31,212,274

	Waste Water Fund	Water Fund	Nonmajor Enterprise Funds	Total Business-Type Activities
<b>Net Position - as Previously Reported</b>	\$ 9,446,195	\$ 13,016,986	\$ 2,611,976	\$ 25,075,157
<b>Cumulative Effect of Change in Accounting Principles</b>				
Net pension liability (measurement date as of June 30, 2013)	(738,010)	(776,101)	(576,124)	(2,090,235)
<b>Deferred Outflows</b>				
Pension contributions made during fiscal year 2013-14	29,484	31,006	23,017	83,507
<b>Cumulative Effect of Change in Account Principles</b>	(708,526)	(745,095)	(553,107)	(2,006,728)
<b>Net position - as restated</b>	\$ 8,737,669	\$ 12,271,891	\$ 2,058,869	\$ 23,068,429

The effect of this change on the Statement of Activities and the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds for the prior year could not be determined. The effect on the current year was immaterial.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**Reporting Entity** The City is a municipal corporation governed by an elected five-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Red Bluff alone, as the City has no component units, related organizations, or jointly governed organizations.

**Basis of Presentation** The financial statement presentation required by GASB Statements Nos. 34, 37, 38, and 39 provides a comprehensive, entity-wide perspective of the City's overall financial position and results of operations while maintaining the presentation of the financial position, results of operations and cash flows, as applicable, of the City's major funds.

**Government-wide and Fund Financial Statements** The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

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

The City reports the following major governmental funds:

*The General Fund:* The fund is the City's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*The Traffic Control Capital Improvement Fund:* This fund accounts for the impact fees restricted for the improvements of the traffic network of the City.

*Grants/Program Income Fund:* This fund accounts for grant income and program income generated from Community Development Block Grant and HOME Program grants and loans.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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The City reports the following major proprietary funds:

*Waste Water Fund:* This fund accounts for the revenues and expenses related to the operation and maintenance of the sewer system and facilities of the City.

*Water Fund:* This fund accounts for the revenues and expenses related to the operation and maintenance of the water treatment, transmission, and distribution system facilities of the City.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded only when payment is due.

Sales taxes, property taxes, franchise taxes, licenses, intergovernmental revenue, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period based on their respective availability periods. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, including fees, fines, and forfeitures, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenues include all taxes.

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 City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**Budgets** Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Revenues are estimated and annual appropriations are adopted for the general, special revenue, and proprietary funds. All annual appropriations lapse at fiscal year end.

During late February each year, the Finance Director reviews all estimated and actual revenues, and all estimated and actual expenditures/expenses. This analysis serves two purposes: first, it indicates if the projected revenues will be adequate to finance the projected expenditures/expenses during the current fiscal year, and second, it serves as a basis for the planning of the upcoming fiscal year's budget. In estimating the revenues for the upcoming fiscal year, the Finance Director adds the prior year's fund balances that are assigned as contingency reserves to the estimated revenues. This then results in the amount of monies that can be spent. The next step is to query all departments for their schedules of proposed expenditures/expenses for the upcoming fiscal year end.

From the estimated revenues and proposed expenditures/expenses, a proposed budget is then formulated. The proposed budget is then subjected to a line-by-line analysis by the budget committee (comprised of two council members appointed by the City Council), the Finance Director, and the City Manager. After this analysis, a final proposed budget is prepared when the Finance Director and the City Manager are fairly certain that the expenditures/expenses are reasonable and can be financed from revenues. Within 60 days of year end, the preliminary budget is adopted by the City Council.

Budget administration policies give the City Manager authority to vary from the precise budgetary appropriations within the various departments, so long as the total appropriations within each fund do not exceed the total appropriations of the fund. Budgetary adjustments which would cause the total appropriations to be exceeded are accomplished by supplemental appropriations approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level.

**Cash and Cash Equivalents** The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments that are both readily convertible to known amounts of cash and (if applicable), so near (three months) their original maturity, that there is insignificant risk of value changes because of interest rate changes.

The City follows the practice of pooling cash and investments of all funds, except for restricted funds required to be held separately. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on cash balances.

**Investments** Investments are reported at fair value based on quoted market prices with realized and unrealized gains or losses reported in the statements of net position and the statements of revenues, expenditures, and changes in fund balances. The State Treasurer's Investment Pool Local Agency Investment Fund operates in accordance with appropriate state laws and regulations. The reported value of the pool is materially equivalent to the fair value of the pool shares. The City's investment in this pool is presented as a cash equivalent in the accompanying financial statements.

**Receivables** The water and waste water departments record service fees when earned with a corresponding receivable. The City records an allowance for doubtful accounts for all water and waste water receivables which they deem uncollectible. The City determined uncollectible receivables at June 30, 2015, for the water and waste water departments were \$664 and \$1,570, respectively.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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Loans receivable consist of loans to individuals for housing rehabilitation and to businesses for construction and business loans. The City considers all loans receivable to be collectible.

Taxes receivable consist of various franchise taxes and motel taxes. The City considers all taxes receivable to be collectible.

***Interfund Transactions and Balances*** During the course of operations, numerous transactions that constitute reimbursements to a fund for expenditures/expenses initially made from one fund that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. In addition, the City incurs transactions that constitute quasi-external transactions between funds. These transactions are accounted for as revenues, expenditures, or expenses in the funds involved in these transactions.

All other interfund transactions are reported as transfers.

Fund transfers are necessary to properly account for cash increases/decreases in the appropriate funds. Transfers include, but are not limited to, the following:

1. To allocate funds for operations;
2. To allocate funds for equipment replacement;
3. To allocate funds for capital projects.

These transactions result in interfund receivables and payables that are classified as “due from other funds” or “due to other funds” on the Balance Sheet – Governmental Funds and Statement of Net Position – Proprietary Funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

***Prepaid Pension Expense*** During the year ended June 30, 2013, the City refinanced an existing \$1.9 million pension side fund obligation for its participation in the California Public Employees Retirement System (CalPERS). This obligation had not previously been reported in the financial statements as it was computed by CalPERS as a component of annual retirement expense. The payoff of this obligation was reported as a prepaid pension expense in the Government-wide statements as it constitutes future period pension costs and as an expenditure of the General Fund. See note 5 for a description of the liability.

***Noncurrent Receivables*** Noncurrent portions of loans and interest receivable are reported on the governmental funds balance sheet in spite of the spending measurement focus of the governmental funds. As they are not “available spendable resources,” noncurrent portions of loans receivable are offset by nonspendable fund balance, and noncurrent portions of interest receivable are offset by a deferred inflow of resources amount.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**Capital Assets** Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at actual historical cost (or fair market value as of the date donated for contributed assets), although for certain older assets estimated historical costs are used.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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Buildings	Primarily 30 to 50 years
Improvements	Primarily 10 to 30 years
Equipment	Primarily 5 to 15 years
Vehicles	Primarily 5 to 15 years
Infrastructure	Primarily 15 to 50 years

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It is the policy of the City to capitalize all land, buildings, improvements, equipment, vehicles, and infrastructure assets, except assets costing less than \$5,000. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related fund.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

**Compensated Absences** Vested or accumulated vacation leave, sick leave, and compensatory time are accrued in the proprietary funds and in the government-wide financial statements as the benefits accrue to employees. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with accounting principles generally accepted in the United States of America, no liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

**Deferred Outflows/Inflows of Resources** In addition to assets, the statement of net position includes 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(s) which will only be recognized as an outflow of resources (expense/expenditures) in the future. The change in proportion and differences between City contributions and proportionate share of contributions, and City contributions subsequent to the measurement date related to pension plans, are reported as deferred outflows of resources in the government-wide statement of net position. City contributions subsequent to the measurement date will be amortized during the next fiscal year as provided by accounting pronouncement GASB Statement No. 71. The change in proportion and differences between City contributions and proportionate share of contributions is amortized over the estimated service lives of the pension plan participants.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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In addition to liabilities, the statement of net position includes 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(s) and would only be recognized as an inflow of resources (revenue) at that time. The City's proportionate share of the net difference between projected and actual earnings on pension plan investments is reported as deferred inflows of resources in the government-wide statement of net position. The amount will be amortized over a five year period.

Deferred inflows of resources occur in governmental funds when a potential revenue does not meet the availability criteria for revenue recognition, such as in the case of interest receivable on deferred loans. In subsequent periods, when the availability criteria is met, the deferred inflows of resources amount is removed from the balance sheet and the revenue is recognized.

**Long-Term Liabilities** In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period the debt is issued.

In the governmental funds financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Pension Liability** 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 (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by 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.

**Net Position/Fund Balance** Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The City's net position is classified as follows:

*Net Investment in Capital Assets:* This represents the City's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component invested in capital assets, net of related debt.

*Restricted Net Position - Expendable:* Restricted expendable net position represents resources which are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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*Unrestricted Net Position:* Unrestricted net position represents resources derived from taxes; licenses and permits; fines; forfeitures and penalties; and charges for services. These resources are used for transactions relating to the general operations of the City, and may be used at the discretion of the City Council to meet current expenses for any purpose.

The government-wide statement of net position reports \$10,910,942 of restricted net position, of which \$5,366,092 is restricted by enabling legislation.

Fund balance of governmental funds is reported in various categories based upon the nature of the spending constraints of the revenue sources of these funds. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance:* Amounts that are in nonspendable form (such as loans receivable) or are required to be maintained intact.

*Restricted Fund Balance:* Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Committed Fund Balance:* Amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., council resolution). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

*Assigned Fund Balance:* Amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by the Finance Director to whom the City Council has delegated the authority.

*Unassigned Fund Balance:* Amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

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

**Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

**Property Taxes** Property taxes are assessed and collected by Tehama County. The County remits the property taxes to the City when the taxes are collected and the allocation has been determined. Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1, and are payable in two installments and become delinquent if not paid by December 10 and April 10.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The City participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan." The *California Revenue and Taxation Code* allows counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any subsequent delinquent payments and related penalties and interest during a fiscal year will revert to Tehama County. The Teeter Plan payment is included in property tax revenue.

## 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following:

June 30, 2015

Cash in banks and on hand	\$	566,953
Umpqua public funds money market account		7,566,857
Certificates of deposit		6,422,000
State of California - Local Agency Investment Fund (LAIF)		4,580,457
<b>Total Cash and Cash Equivalents</b>	<b>\$</b>	<b>19,136,267</b>

### Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2015, the City's bank balance was \$8,271,757 and \$7,933,231 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the City's name.

### Interest Rate Risk

While the City's investment policy does not address interest rate risk, the City manages its exposure to interest rate risks through reliance on the managers of the Local Agency Investment Fund (LAIF) for its investment in those funds and the Finance Director and City Treasurer for the City's investment in money market accounts and certificates of deposit.

### Equity in Pooled Cash and Investment

The City invests funds in the State Treasurer's Pooled Money Investment Account (PMIA) through LAIF, a voluntary program created by statute in 1977. The PMIA has regulatory oversight from the Pooled Money Investment Board and an in-house Investment Committee. The Local Agency Investment Advisory Board has oversight of LAIF. The fair value of the City's position in the pool is materially equivalent to the value of pool shares. LAIF is an unrated external investment pool.

# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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In accordance with authorized investment laws, the State Treasurer's Investment Pool (LAIF) invests in various structured notes and mortgage-backed securities, such as collateralized mortgage obligations. As of June 30, 2015, 2.08% of LAIF's investment portfolio was invested in structured notes and other asset-backed securities. In addition, PMIA's weighted average maturities was 0.80 years at June 30, 2015. (Copies of a report of LAIF's investments may be obtained from the State Treasurer's Office; Local Agency Investment Fund; P. O. Box 942809; Sacramento, CA 94209-0001.)

### 3. INVESTMENTS

As of June 30, 2015, the City's investments consisted of a debt security with the Federal National Mortgage Association. The amortized cost and fair market value of the security (\$1,000,000 face value) was \$992,450 at June 30, 2015. The instrument bears interest at 1.57% and has a maturity date of January 9, 2020.

#### Interest Rate Risk

The City manages its exposure to interest rate risks by limiting its investments to short and medium term government debt.

#### Credit Risk

The *California Government Code* and the investment policy of the City authorize the City to invest in obligations, participations, or other instruments of the U.S. Government or its agencies, state and municipal bonds, commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided by Standard & Poor's Corporation or Moody's Investor Service, Inc., bankers' acceptances, repurchase agreements, the State Treasurer's Investment Pool Local Agency Investment Fund, certificates of deposit or time deposits, and passbook savings account demand deposits. Reverse repurchase agreements may be made only when prior approval of the City Council has been given. As of June 30, 2015, the City's investments are rated as follows:

Debt securities of government agencies	AA+
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#### Concentration of Credit Risk

The City's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the City's total cash and investments.

#### Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City's investments are insured or registered, or have securities held by the entity or its agent in the entity's name as is required by the *California Government Code*.

# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### 4. CAPITAL ASSETS

Capital asset activity is summarized as follows:

#### Governmental Activities:

Year Ended June 30, 2015	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Nondepreciable Capital Assets</b>					
Land	\$ 305,206	\$ -	\$ -	\$ -	305,206
Construction in progress	131,069	283,168	-	(63,508)	350,729
<b>Total Nondepreciable Capital Assets</b>	<b>436,275</b>	<b>283,168</b>	<b>-</b>	<b>(63,508)</b>	<b>655,935</b>
<b>Depreciable Capital Assets</b>					
Buildings	1,986,188	-	-	-	1,986,188
Improvements	2,946,066	-	-	63,508	3,009,574
Equipment	1,770,946	204,955	-	-	1,975,901
Vehicles	2,968,840	-	-	-	2,968,840
Infrastructure	52,534,916	26,165	-	-	52,561,081
<b>Total Depreciable Capital Assets</b>	<b>62,206,956</b>	<b>231,120</b>	<b>-</b>	<b>63,508</b>	<b>62,501,584</b>
<b>Less: Accumulated Depreciation</b>					
Buildings	1,782,173	17,823	-	-	1,799,996
Improvements	1,491,128	135,267	-	-	1,626,395
Equipment	1,500,201	72,265	-	-	1,572,466
Vehicles	2,574,869	120,777	-	-	2,695,646
Infrastructure	25,566,278	1,298,291	-	-	26,864,569
<b>Total Less: Accumulated Depreciation</b>	<b>32,914,649</b>	<b>1,644,423</b>	<b>-</b>	<b>-</b>	<b>34,559,072</b>
<b>Depreciable Capital Assets - Net</b>	<b>29,292,307</b>	<b>(1,413,303)</b>	<b>-</b>	<b>63,508</b>	<b>27,942,512</b>
<b>Governmental Capital Assets - Net</b>	<b>\$ 29,728,582</b>	<b>\$ (1,130,135)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>28,598,447</b>

Depreciation expense was charged to functions as follows:

Year Ended June 30, 2015

#### Governmental Activities

General Government	\$ 47,310
Fire	66,773
Police	96,980
Parks and recreation	100,293
Transportation and streets	1,333,067
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 1,644,423</b>



# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### Business-Type Activities:

Year Ended June 30, 2015	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Nondepreciable Capital Assets</b>					
Land	910,368	\$ -	\$ -	\$ -	910,368
Construction in progress	345,323	497,128	38,377	(503,390)	300,684
<b>Total Nondepreciable Capital Assets</b>	<b>1,255,691</b>	<b>497,128</b>	<b>38,377</b>	<b>(503,390)</b>	<b>1,211,052</b>
<b>Depreciable Capital Assets</b>					
Buildings	1,467,760	-	-	-	1,467,760
Improvements	17,228,931	44,123	-	-	17,273,054
Equipment	892,237	-	-	10,733	902,970
Vehicles	686,255	-	-	-	686,255
Infrastructure	12,557,713	-	-	492,657	13,050,370
<b>Total Depreciable Capital Assets</b>	<b>32,832,896</b>	<b>44,123</b>	<b>-</b>	<b>503,390</b>	<b>33,380,409</b>
<b>Less: Accumulated Depreciation</b>					
Buildings	1,286,069	13,167	-	-	1,299,236
Improvements	8,662,662	445,241	-	-	9,107,903
Equipment	840,439	14,958	-	-	855,397
Vehicles	633,428	18,715	-	-	652,143
Infrastructure	7,194,557	248,435	-	-	7,442,992
<b>Total Less: Accumulated Depreciation</b>	<b>18,617,155</b>	<b>740,516</b>	<b>-</b>	<b>-</b>	<b>19,357,671</b>
<b>Depreciable Capital Assets - Net</b>	<b>14,215,741</b>	<b>(696,393)</b>	<b>-</b>	<b>503,390</b>	<b>14,022,738</b>
<b>Business-Type Capital Assets - Net</b>	<b>\$ 15,471,432</b>	<b>\$ (199,265)</b>	<b>\$ 38,377</b>	<b>\$ -</b>	<b>\$ 15,233,790</b>

Depreciation expense was charged to functions as follows:

Year Ended June 30, 2015

### Business-Type Activities

Building	\$ 1,500
Waste water	322,861
Water	282,559
Airport	132,950
Community center	646
<b>Total Business-Type Activities Depreciation Expense</b>	<b>\$ 740,516</b>

# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5. LONG-TERM LIABILITIES

#### Activity

Following is a summary of changes in long-term liabilities:

Year Ended June 30, 2015	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Loans payable:					
CalPERS Refunding loan	\$ 1,640,000	\$ -	\$ 262,000	\$ 1,378,000	\$ 283,000
Capital leases:					
Ford lease agreement	81,658	-	39,639	42,019	42,019
Dell lease agreement	38,422	-	7,731	30,691	8,771
<b>Total Financing Leases</b>	<b>120,080</b>	<b>-</b>	<b>47,370</b>	<b>72,710</b>	<b>50,790</b>
Other liabilities:					
Compensated absences	1,236,308	493,488	521,556	1,208,240	302,060
Other postemployment benefits	591,964	113,984	-	705,948	-
<b>Total Other Liabilities</b>	<b>1,828,272</b>	<b>607,472</b>	<b>521,556</b>	<b>1,914,188</b>	<b>302,060</b>
<b>Total Governmental Activities</b>	<b>3,588,352</b>	<b>607,472</b>	<b>830,926</b>	<b>3,364,898</b>	<b>635,850</b>
<b>Business-Type Activities</b>					
Loans payable:					
State Revolving Fund loan	805,924	-	128,392	677,532	130,708
Other liabilities:					
Compensated absences	217,593	66,855	87,208	197,240	49,310
<b>Total Business-Type Activities</b>	<b>1,023,517</b>	<b>66,855</b>	<b>215,600</b>	<b>874,772</b>	<b>180,018</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 4,611,869</b>	<b>\$ 674,327</b>	<b>\$ 1,046,526</b>	<b>\$ 4,239,670</b>	<b>\$ 815,868</b>

#### Loans

##### *CalPERS Refunding Loan*

During the year ended June 30 2013, a CalPERS refunding loan was issued to refinance the City's existing \$1.9 million pension side fund obligation for its participation in the California Public Employees Retirement System (CalPERS). The loan is collateralized by a pledge of the gross revenues of the City. Principal and interest paid in the current year was \$323,405, while total pledged revenues were \$16,851,641. Total principal and interest remaining on the loan is \$1,528,930, which is the amount of the remaining dedicated source of revenues pledged.

## **City of Red Bluff**

### **NOTES TO THE FINANCIAL STATEMENTS**

(Continued)

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#### ***State Revolving Fund Loan***

During the year ended June 30, 1999, the City Council authorized the upgrade and expansion of the waste water treatment plant, and granted the authority to apply for and accept a state revolving fund loan to fund a portion of that expansion. A loan of \$2,902,104 was approved by the State Revolving Fund Loan Program which is administered for the State of California by the State Water Resources Control Board. The loan amount is to be repaid in full no later than 20 years after the completion of construction. Project construction was completed on September 2, 1999. Repayment in 20 annual installments began on September 2, 2000. The disbursement of the loan proceeds was handled in a manner similar to a line of credit. The total disbursements under the loan amounted to \$2,382,042. The effective interest rate on the loan is 1.8%.

The loan is collateralized by a pledge of revenues derived and to be derived from the monthly user charges of the waste water system, as dedicated by City resolution.

Principal and interest paid in the current year was \$142,923, while total pledged system revenues were \$2,913,763. Total principal and interest remaining on the loan is \$714,615 which is the amount of the remaining dedicated source of revenues pledged.

#### **Capital Leases**

In September 2013, the City entered into a capital lease for the purchase of a server and related equipment with a cost of \$44,687 and accumulated depreciation of \$14,896 as of June 30, 2015. The lease is payable in 60 monthly installments of \$822, including interest at 3.96%. Repayment began in November 2013. Principal and interest paid in the current year were \$9,045. Total remaining payments under the lease are \$32,889, including interest in the amount of \$2,199. The present value of the remaining payments is \$30,690.

In April 2014, the City entered into a capital lease for the purchase of three police interceptor vehicles with a cost of \$126,197 and accumulated depreciation of \$31,549 as of June 30, 2015. The lease is payable in three annual installments of \$44,540, including interest at 6.0%. Repayment began in April 2014. Principal and interest paid in the current year were \$44,540. Total remaining payments under the lease are \$44,540, including interest in the amount of \$2,521. The present value of the remaining payments is \$42,019.

Amortization of leased assets is included with depreciation expense.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

Year Ending June 30	Governmental Activities
2016	\$ 54,406
2017	9,867
2018	9,867
2019	3,289
<b>Total Minimum Lease Payments</b>	<b>77,429</b>
Less: Amount representing interest	(4,719)
<b>Present Value of Minimum Lease Payments</b>	<b>\$ 72,710</b>

#### Long-Term Debt Summary

##### Governmental Activities:

Year Ending June 30	Principal	Interest	Total
2016	\$ 333,790	\$ 54,609	\$ 388,399
2017	254,139	41,036	295,175
2018	272,520	30,942	303,462
2019	286,261	20,172	306,433
2020	304,000	8,892	312,892
<b>Total</b>	<b>\$ 1,450,710</b>	<b>\$ 155,651</b>	<b>\$ 1,606,361</b>

##### Business-Type Activities:

Year Ending June 30	Principal	Interest	Total
2016	\$ 130,708	\$ 12,216	\$ 142,924
2017	133,063	9,859	142,922
2018	135,463	7,460	142,923
2019	137,906	5,017	142,923
2020	140,392	2,531	142,923
<b>Total</b>	<b>\$ 677,532</b>	<b>\$ 37,083</b>	<b>\$ 714,615</b>

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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#### **Interest Expense**

The total interest incurred for the year ended June 30, 2015, on long-term debt was \$82,151. Interest charged to expense has been included as a component of the direct expenses of individual functions on the government-wide statement of activities as the underlying debt has objectives that can be connected to specific programs.

#### **Other Postemployment Benefits (OPEB) Obligation**

The City's actuarially determined annual required contribution for the year ended June 30, 2015, was \$142,127, interest on the net OPEB obligation was \$29,739, the adjustment to the Annual Required Contribution (ARC) for the year was \$35,886, and contributions made by the City during the year were \$21,996, which resulted in a net increase in the OPEB obligation of \$113,984 and an ending OPEB obligation of \$705,948. See note 9 for additional information regarding the OPEB obligation and the postemployment benefit plan.

## **6. SELF-INSURANCE**

In January 1979, the City became a member of the Northern California Cities Workers' Compensation Fund, a Joint Powers Authority (JPA), for the purpose of providing a banking plan for member cities to provide their own workers' compensation insurance.

In July 1981, the JPA instituted a program for the provision of liability insurance. In 1987, the JPA was rewritten and renamed the Northern California Cities Self-Insurance Fund to combine and update the coverages of the plans. There has been no significant reduction in any of the insurance coverages from the prior year. Settled claims resulting from these programs have not exceeded insurance coverage in each of the past three fiscal years. The current agreement is as follows:

The Workers' Compensation Program comprises a banking or deductible layer for claims up to \$100,000 and a shared risk pool for claims from \$100,000 to \$500,000. Excess coverage is provided for claims over the shared risk layer up to the statutory limit for workers' compensation and \$5,000,000 for employers' liability. The liability program comprises a banking or deductible layer for claims up to \$50,000 and a shared risk pool for claims from \$50,000 to \$500,000. Excess coverage is provided for liability claims over the shared risk layer up to \$40,000,000.

Each member city is assessed a contribution which is intended to cover its share of the Authority's claims, operating costs, and claim settlement expenses. Contributions are based on an actuarially determined rate for each coverage layer (pool), based on an estimate of the probable losses and expenses to be borne by that pool for the claim year. Additional cash contributions may be assessed on the basis of adverse loss experience. Refunds to members may be made if funds are determined to be surplus as a result of an actuarial study.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The banking or deductible layer is the member's deductible portion of each claim. As part of its services to members, a portion of the members' contributions is used to pay their deductibles. If a member's balance is insufficient, the Authority advances the necessary amounts and bills the member in subsequent years. Excess balances may likewise be used to offset subsequent year contributions.

The City uses the "general fund" method to account for the costs of self-insurance. While the ultimate amount of the costs of self-insurance through June 30, 2015, is dependent on future developments, City management believes that the aggregate premiums paid to the JPA are adequate to cover the City's losses through June 30, 2015, including incurred but not reported claims (IBNRs). Claims paid for the workers' compensation and general liability programs for the fiscal year ended June 30, 2015, were \$394,859 and \$87,331, respectively.

As of June 30, 2015, the JPA reported that the City had a deficit in the workers' compensation program in the amount of \$372,852. This amount has been included as a liability in the governmental activities section of the City's government-wide financial statements. In addition, the JPA reported that the City had a surplus in its general liability program in the amount of \$39,987. This amount has not been included in the City's financial statements.

## 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

### Interfund Balances

The following is a summary of interfund balances:

June 30, 2015	Due From Other Funds	Due to Other Funds	Internal Balances
<b>Governmental Activities</b>			
Nonmajor governmental	\$ -	\$ 71,277	\$ (71,277)
General Fund	-	290,481	(290,481)
<b>Total Governmental Activities</b>	-	361,758	(361,758)
<b>Business-Type Activities</b>			
Waste water	-	256,165	(256,165)
Water	653,407	-	653,407
Nonmajor enterprise	-	35,484	(35,484)
<b>Total Business-Type Activities</b>	653,407	291,649	361,758
<b>Total Government-Wide Statement</b>	\$ 653,407	\$ 653,407	\$ -

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### Transfers

The following is a summary of transfers:

Year Ended June 30, 2015	Transfers In	Transfers Out	Net Transfers
<b>Governmental Activities</b>			
General	\$ 729,454	\$ 111,831	\$ 617,623
Nonmajor governmental	232,404	251,995	(19,591)
<b>Total Governmental Activities</b>	<b>961,858</b>	<b>363,826</b>	<b>598,032</b>
<b>Business-Type Activities</b>			
Waste water	-	329,541	(329,541)
Water	44,120	272,013	(227,893)
Nonmajor enterprise	111,156	151,754	(40,598)
<b>Total Business-Type Activities</b>	<b>155,276</b>	<b>753,308</b>	<b>(598,032)</b>
<b>Total Government-Wide Statement</b>	<b>\$ 1,117,134</b>	<b>\$ 1,117,134</b>	<b>\$ -</b>

The City's routine transfers include transfers made to move: (a) unrestricted revenues or balances that have been collected or accumulated in the General Fund to other funds based on budgetary authorization, and (b) revenues from a fund that by statute or budgetary authority must collect them to funds that are required by statute or budgetary authority to expend them. All transfers during the year were routine and all balances are expected to be collected in the subsequent year.

#### 8. PENSION OBLIGATION INCLUDING GASB STATEMENT NO. 68 (IMPLEMENTATION EFFECTIVE FOR YEAR ENDED JUNE 30, 2015)

Qualified employees are covered under a cost-sharing, multiple-employer defined benefit pension plan maintained by the California Public Employees' Retirement System (CalPERS).

##### Plan Descriptions

All full-time employees are eligible to participate in CalPERS, a cost-sharing, multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The City is part of a "cost-sharing" pool within CalPERS. The Public Employees' Retirement Law (Part 3 of the *California Government Code*, Section 20000 et seq.) establishes benefit provisions for CalPERS. CalPERS issues a publicly available financial report that can be obtained at [www.calpers.ca.gov](http://www.calpers.ca.gov).

# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. 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 for retirement as early as age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The provisions and benefits of the various plans of the city in effect at June 30, 2015 is as follows:

<b>Hire Date</b>	<b>Miscellaneous</b>	
	<b>Prior to January 1, 2013</b>	<b>On or after January 1, 2013</b>
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years	5 years
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits (as a % of eligible compensation)	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rate	7.00%	6.25%
Required employer contribution rate	8.31%	6.25%

<b>Hire Date</b>	<b>Safety - Police</b>		
	<b>Prior to May 16, 2011</b>	<b>May 17, 2011 to December 31, 2012</b>	<b>On or after January 1, 2013</b>
Benefit formula	3% at 50	3% at 55	2.7% at 57
Benefit vesting schedule	5 years	5 years	5 years
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50-55	50-57
Monthly benefits (as a % of eligible compensation)	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rate	9.00%	9.00%	11.50%
Required employer contribution rate	27.85%	22.25%	11.50%

<b>Hire Date</b>	<b>Safety - Fire</b>	
	<b>Prior to January 1, 2013</b>	<b>On or after January 1, 2013</b>
Benefit formula	2% at 50	2.7% at 57
Benefit vesting schedule	5 years	5 years
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	50-57
Monthly benefits (as a % of eligible compensation)	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rate	9.00%	11.50%
Required employer contribution rate	20.92%	11.50%



## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

#### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the 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. Employer contributions for the year ended June 30, 2015 were \$192,378, \$393,766 and \$160,989, for the Miscellaneous, Safety-Police and Safety-Fire plans, respectively.

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported a net pension liability of \$9,162,823 for its proportionate share of the net pension liability. This breakdown of the net pension liability between the miscellaneous, safety-police and safety-fire is \$3,617,616, \$4,118,368, and \$1,426,839, respectively. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014, 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 cities and the State, actuarially determined. At June 30, 2014, the City's proportion was 0.05814% for the miscellaneous plan, 0.06580% and 0.00039% for the safety-police plans and 0.02293% for the safety-fire plan.

#### Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$816,080. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows Resources	Deferred Inflows Resources
June 30, 2015			
Differences between expected and actual experience	\$	-	\$ -
Net difference due to differences in proportions		208,065	47,030
Net difference between projected and actual earnings on pension plan investments		-	3,013,589
City contributions subsequent to the measurement date		719,187	-
<b>Total</b>	<b>\$</b>	<b>927,252</b>	<b>\$ 3,060,619</b>

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

An amount of \$719,187 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

#### Year Ending June 30

2016	\$	(695,883)
2017		(695,883)
2018		(707,387)
2019		(753,401)
2020		-
Thereafter		-
<b>Total</b>	<b>\$</b>	<b>(2,852,554)</b>

#### Actuarial Assumptions

The total pension liability in the June 30, 2013, actuarial valuation for each plan for CalPERS was determined using the following actuarial assumptions, applied to all periods included in the measurement:

#### June 30, 2015

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Discount rate	7.50%
Inflation	2.75%
Salary increases	Varies by entry age and service
Investment rate of return	7.50%, net of pension plan investment and administrative expenses; includes inflation

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the period July 1, 1997, through June 30, 2011.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50% for each plan. The amortization and smoothing periods recently adopted by the Board were utilized to determine whether the municipal bond rate should be used in the calculation of a discount rate. A projection of expected benefit payments and contributions was performed to determine if the assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The stress test results are presented in a detailed report entitled, "GASB Crossover Testing Report" that can be obtained on the CalPERS' website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined with reduction for pension plan administrative expense. The 7.50% investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return, excluding administrative expenses, would have been 7.65%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in the calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stake holder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statement No. 67 and GASB Statement No. 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in the calculation until the methodology is changed.

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. In determining the long-term expected rate of return, staff 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 of the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11 to 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 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.

# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Asset Class	Target	Rate of Return	
	Allocation	Years 1-10*	Years 11+**
Global equity	47%	5.25%	5.71%
Global fixed income	19%	0.99%	2.43%
Inflation sensitive	6%	0.45%	3.36%
Private equity	12%	6.83%	6.95%
Real estate	11%	4.50%	5.13%
Infrastructure and forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
<b>Total</b>	<b>100%</b>		

\*An expected inflation of 2.5% used for this period.

\*\*An expected inflation of 3.0% used for this period.

### Sensitivity of the Net Pension Liability to the Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Plan's Net Pension Liability - Miscellaneous	\$ 6,684,231	\$ 3,617,616	\$ 1,072,617
Plan's Net Pension Liability - Safety-Police	7,087,177	4,118,368	1,672,196
Plan's Net Pension Liability - Safety-Fire	2,455,404	1,426,839	579,345
<b>Total</b>	<b>\$ 16,226,812</b>	<b>\$ 9,162,823</b>	<b>\$ 3,324,158</b>

### Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial report.

## 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The City provides postemployment healthcare benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the City.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

#### Plan Description

The City of Red Bluff Retirement Health Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the City. The City provides certain medical, dental, and vision insurance coverage to all employees who retire from the City (including spouses), and meet the age and service requirement for eligibility. Retirees must be at least 55 years of age with a minimum 5 years of service with the City. The City pays medical premiums up to a cap of \$160 per month, for each qualifying retiree (spouse). As of June 30, 2015, membership of the Plan consists of 8 retirees currently receiving benefits and 74 eligible active plan members.

#### Funding Policy

The contribution requirements of plan members and the City are based on a pay-as-you-go basis. For the year ended June 30, 2015, the City paid \$21,996 on behalf of its retirees.

#### Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with GASB Statement No. 45. The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than 100 total plan members. 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 accrued liabilities (UAAL) (or funding costs) over a period not to exceed 30 years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the City's net OPEB obligation to the Plan:

Year Ended June 30, 2015

Annual Required Contribution (ARC)	\$	142,127
Interest on obligation from prior year		29,739
Adjustment to ARC		(35,886)
<b>Annual OPEB Cost for the Year</b>		<b>135,980</b>
Contributions made for the year		(21,996)
<b>Increase in Net OPEB Obligation</b>		<b>113,984</b>
<b>Net OPEB Obligation - Beginning of the Year</b>		<b>591,964</b>
<b>Net OPEB Obligation - End of Year</b>	<b>\$</b>	<b>705,948</b>

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the last three fiscal years is as follows:

June 30		2015		2014		2013
Annual OPEB cost	\$	135,980	\$	132,165	\$	98,839
Percentage of annual OPEB costs contributed		16.18%		11.87%		18.51%
Net OPEB obligation - end of year	\$	705,948	\$	591,964	\$	475,490

### Funding Status and Funding Progress

The City's funding status information is illustrated as follows:

	July 1, 2013
Actuarial accrued liability (AAL)	\$ 1,102,280
Actuarial value of plan assets	-
<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>\$ 1,102,280</b>
Actuarial value of plan assets as a percentage of AAL	0%
Covered payroll	\$ 4,854,897
<b>UAAL as Percentage of Covered Payroll</b>	<b>22.70%</b>

As of June 30, 2015, the City has not set aside any amounts in an external trust fund.

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age	Actuarial Value of Assets	Unfunded Liability (UAAL)	Funded Status	Annual Covered Payroll	UAAL as a % of Payroll
November 17, 2011	\$ 957,452	\$ -	\$ 957,452	0.0%	\$ 4,933,449	19.4%
July 1, 2013	\$ 1,102,280	\$ -	\$ 1,102,280	0.0%	\$ 4,854,897	22.7%

### Actuarial Methods and Assumptions

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability 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 employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefits 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.

In the July 1, 2013, actuarial valuation, the entry-age normal cost method was used. The actuarial assumptions included a 5.0% discount rate, 2.75% price inflation, 3.0% wage inflation, and an annual cost trend rate of 4.0%. Unfunded actuarial accrued liabilities are amortized to produce payments (principal and interest), which are a level percent of payroll over a 30-year period.

#### 10. FUND BALANCE/NET POSITION

The funds listed below reported a deficit fund balance/net position:

June 30, 2015

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**Governmental Funds**

Fire Protection Capital Improvement Fund	\$	55,343
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**Enterprise Funds**

Community Center Fund	\$	250,113
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# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Fund balances are composed of the following:

June 30, 2015	Nonspendable	Restricted	Committed	Assigned
<b>General Fund:</b>				
Contingency	\$ -	\$ -	\$ -	1,400,000
<b>Traffic Control:</b>				
Traffic Control Impact Fee	-	2,303,956	-	45,002
<b>Grants/Program Income Fund:</b>				
Long-term receivables	3,883,959	-	-	-
Grants	-	161,789	-	2,627
<b>Other Governmental Funds:</b>				
Waste Water Facility Impact Fees	-	890,408	-	11,148
Water Capital Impact Fees	-	882,905	-	11,018
Transportation	-	859,076	-	14,723
Waste Water Collection Impact Fees	-	794,483	-	9,126
Flood Protection Impact Fees	-	225,986	-	4,988
Grants	-	200,292	-	1,992
PEG Fees	-	157,652	-	2,654
ISTEA/RSTP Revenue	-	93,312	-	347
City Admin and Equipment Impact Fees	-	70,293	-	2,565
Prop 30 (Public Safety) Revenue	-	64,357	-	1,510
Special Gas Tax	-	61,433	-	126
Meadow Brook Street Fees	-	41,418	-	858
Airport Impact Fees	-	39,359	-	900
Broadcast Labor Fees	-	20,000	-	355
Local Transportation	-	18,366	-	280
Park Capital Improvement Fees	-	18,239	-	742
Police Protection Impact Fees	-	12,665	-	33
Waste Water Treatment Plant Capital Reserves	-	-	813,210	15,697
Transportation - City Design Fees	-	-	158,964	4,375
General Plan Update	-	-	85,113	1,715
Traffic Safety	-	-	-	1
<b>Total</b>	<b>\$ 3,883,959</b>	<b>\$ 6,915,989</b>	<b>\$ 1,057,287</b>	<b>\$ 1,532,782</b>

### 11. LANDFILL JOINT POWERS AGENCIES

The City is a member of the Tehama County Sanitary Landfill Agency (the Landfill Agency), which was formed in May 1989 by an agreement between the County of Tehama, the City of Corning, the City of Tehama, and the City of Red Bluff. The Landfill Agency is responsible for closure and postclosure of the landfill. The Landfill Agency has previously collected assessments from property in the County and is currently holding those funds in order to have funds available to finance the work necessary for closure and postclosure monitoring.

In 1997, the City, along with the County of Tehama, formed the Tehama County/Red Bluff Landfill Management Agency (the Management Agency). The Management Agency was formed to govern the operation and management of the landfill. The City and the County of Tehama each have a 50% ownership interest in the landfill.

Complete financial statements for the two Agencies may be obtained from the Agencies.



## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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#### 12. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is involved in various litigation; however, in the City Attorney's opinion, the potential claims against the City resulting from such litigation would not materially affect the accompanying financial statements.

#### 13. CONSTRUCTION COMMITMENTS

At June 30, 2015, the City had \$1,377,952 outstanding in the form of contracts and/or purchase orders for construction.

#### 14. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2015, expenditures exceeded appropriations in none of the major special revenue funds.

#### 15. FUTURE GASB IMPLEMENTATION

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement will improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in GASB Concepts Statement No. 6, *Measurement of Elements of Financial Statements*, and other relevant literature. The City's management has not yet determined the impact that implementation of these standards, which is required on July 1, 2015, will have on the City's financial statements, if any.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement will improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB. GASB Statement No. 75 replaces the requirements of GASB Statement No. 45. The City's management has not yet determined the impact that implementation of these standards, which is required on July 1, 2017, will have on the City's financial statements, if any.

## **REQUIRED SUPPLEMENTARY INFORMATION SECTION**

## City of Red Bluff

### SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – CALPERS

Miscellaneous	June 30, 2015
City's proportion of the net pension liability (asset)	0.05814%
City's proportionate share of the net pension liability (asset)	\$ 3,617,616
City's covered-employee payroll	\$ 2,291,278
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	157.89%
Plan fiduciary net position as a percentage of the total pension liability	84.35%

#### Safety-Police (Tier 1)

City's proportion of the net pension liability (asset)	0.06580%
City's proportionate share of the net pension liability (asset)	\$ 4,094,371
City's covered-employee payroll	\$ 1,115,468
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	367.05%
Plan fiduciary net position as a percentage of the total pension liability	81.42%

#### Safety-Police (Tier 2)

City's proportion of the net pension liability (asset)	0.00039%
City's proportionate share of the net pension liability (asset)	\$ 23,997
City's covered-employee payroll	\$ 361,793
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	6.63%
Plan fiduciary net position as a percentage of the total pension liability	81.42%

#### Safety-Fire

City's proportion of the net pension liability (asset)	0.29300%
City's proportionate share of the net pension liability (asset)	\$ 1,426,839
City's covered-employee payroll	\$ 743,728
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	191.85%
Plan fiduciary net position as a percentage of the total pension liability	81.42%

See the accompanying notes to the required supplementary information.

**City of Red Bluff****SCHEDULE OF CITY'S CONTRIBUTIONS – CALPERS**

<b>Miscellaneous</b>	<b>June 30, 2015</b>
Contractually required contribution	\$ 201,470
Contributions in relation to the contractually required contribution	(201,470)
Contribution deficiency (excess)	\$ -
City's covered-employee payroll	\$ 2,291,278
Contributions as a percentage of covered-employee payroll	8.79%

<b>Safety-Police (Tier 1)</b>	
Contractually required contribution	\$ 280,646
Contributions in relation to the contractually required contribution	(280,646)
Contribution deficiency (excess)	\$ -
City's covered-employee payroll	\$ 1,115,468
Contributions as a percentage of covered-employee payroll	25.16%

<b>Safety-Police (Tier 2)</b>	
Contractually required contribution	\$ 93,424
Contributions in relation to the contractually required contribution	(93,424)
Contribution deficiency (excess)	\$ -
City's covered-employee payroll	\$ 361,793
Contributions as a percentage of covered-employee payroll	25.82%

<b>Safety-Fire</b>	
Contractually required contribution	\$ 164,725
Contributions in relation to the contractually required contribution	(164,725)
Contribution deficiency (excess)	\$ -
City's covered-employee payroll	\$ 743,728
Contributions as a percentage of covered-employee payroll	22.15%

*See the accompanying notes to the required supplementary information.*

## **City of Red Bluff**

### **NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2015

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#### **Changes of Benefit Terms**

Public agencies who participate in CalPERS can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

#### **Changes of Assumptions**

In February 2014, the CalPERS Board adopted new actuarial assumptions. The most significant change to the actuarial assumptions that the Board adopted was the inclusion of future mortality improvement. The actuarial assumptions adopted by the Board are designed to ensure greater sustainability and soundness of the defined benefit pension plans, and will be better at predicting future experience resulting in more secure retirement benefits in the decades to come. The current experience study was based on demographic CalPERS data for years 1997 to 2011. The study focused on recent patterns of termination, death, disability, retirement, and salary increases. These new assumptions were reflected in the total pension liabilities as of June 30, 2013. The 2013 liabilities were rolled forward to the measurement date of June 30, 2014, using standard update procedures.

**COMBINING AND INDIVIDUAL NONMAJOR FUND  
FINANCIAL STATEMENTS**

## City of Red Bluff

### NONMAJOR GOVERNMENTAL FUNDS

#### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

*Traffic Safety Fund:* This fund accounts for revenues and expenditures restricted for traffic safety improvement by police.

*Charter – PEG Fees Fund:* This fund accounts for revenues and expenditures restricted for promoting public, education, and governmental television programming.

*Public Safety Fund:* This fund accounts for the revenues and expenditures restricted for public safety by police and fire.

*Broadcasting Labor Fund:* This fund accounts for revenues and expenditures restricted for labor costs associated with installing equipment for publicizing City Council meetings.

*Proposition 30 Fund:* This fund accounts for revenues and expenditures restricted for public safety use by police.

*Asset Forfeiture Fund:* This fund accounts for the seizure of funds by police officers.

*Local Transportation Fund (LTF):* This fund accounts for LTF revenues and expenditures restricted for use in maintenance, repairs, and improvements of the street system of the City.

*Special Gas Tax Fund:* This fund accounts for gas tax revenues and expenditures restricted for use in maintenance, repairs, and improvements of the street system of the City.

*Intermodal Surface Transportation Efficiency Act (ISTEA) / Regional Surface Transportation Program (RSTP) Revenue Fund:* This fund accounts for ISTEA and RSTP revenues and expenditures restricted for use in maintenance, repairs, and improvements of the street system of the City

*Grants Fund:* This fund accounts for revenues and expenditures restricted for grant use by the State and Federal governments.

*Transportation Fund:* This fund accounts for the operations and maintenance of the City's streets with taxes and grant revenue restricted for transportation.

## City of Red Bluff

### NONMAJOR GOVERNMENTAL FUNDS

(Continued)

#### CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

*General Plan Update Fund:* This fund accounts for the revenues and expenditures for the general plan updated by the planning department of the City.

*Transportation City Design Fund:* This fund accounts for revenue and expenditures for City design/development of streets.

*Waste Water Treatment Plant Capital Reserve Fund:* This fund accounts for revenues and expenditures for capital improvements of the Waste Water Treatment Plant.

*Flood Protection Capital Improvement Fund:* This fund accounts for impact fees restricted for improvements of the flood protection system of the City.

*Fire Protection Capital Improvement Fund:* This fund accounts for impact fees restricted for improvements of the fire protection facilities and equipment of the City.

*Police Protection Capital Improvement Fund:* This fund accounts for impact fees restricted for improvements of the police protection facilities and equipment of the City.

*City Administration and Equipment Capital Improvement Fund:* This fund accounts for impact fees restricted for improvements of the general municipal facilities of the City.

*Meadowbrook Street Capital Projects Fund:* This fund accounts for revenues and expenditures restricted for repairs and maintenance of Meadowbrook Street.

*Proposition 1B Capital Fund:* This fund accounts for revenues and expenditures restricted for use in maintenance, repair, and improvements of the street system of the City.

*Waste Water Treatment Plant Capital Improvement Fund:* This fund accounts for impact fees restricted for improvements of the Waste Water Treatment Plant.

*Waste Water Collection System Capital Improvement Fund:* This fund accounts for impact fees restricted for improvements of the Waste Water Collection System.

*Water Capital Improvement Fund:* This fund accounts for impact fees restricted for improvements of the water system of the City.

*Airport Capital Improvement Fund:* This fund accounts for impact fees restricted for improvements of the airport of the City.

*Parks and Recreation Facilities Capital Improvement Fund:* This fund accounts for impact fees restricted for improvements of the parks and recreation facilities of the City.



# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2015	Special Revenue					Balance Forward
	Traffic Safety Fund	Charter - PEG Fees Fund	Public Safety Fund	Broadcasting Labor Fund		
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 155,868	\$ -	\$ 20,352	\$	176,220
Receivables:						
Accounts	-	4,412	-	-		4,412
Interest	5	26	15	3		49
Loans	-	-	-	-		-
Due from other governments	3,980	-	11,944	-		15,924
<b>TOTAL ASSETS</b>	\$ 3,985	\$ 160,306	\$ 11,959	\$ 20,355	\$	196,605
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$	-
Accrued payroll and benefits	-	-	-	-		-
Accrued interest payable	-	-	-	-		-
Other liabilities	-	-	-	-		-
Due to other funds	3,984	-	11,959	-		15,943
<b>Total Liabilities</b>	3,984	-	11,959	-		15,943
<b>Fund Balances (Deficit)</b>						
Nonspendable	-	-	-	-		-
Restricted	-	157,652	-	20,000		177,652
Committed	-	-	-	-		-
Assigned	1	2,654	-	355		3,010
Unassigned	-	-	-	-		-
<b>Total Fund Balances (Deficit)</b>	1	160,306	-	20,355		180,662
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ 3,985	\$ 160,306	\$ 11,959	\$ 20,355	\$	196,605

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

June 30, 2015	Special Revenue				
	Balance Brought Forward	Proposition 30 Fund	Asset Forfeiture Fund	Local Transportation Fund	Balance Forward
<b>ASSETS</b>					
Cash and cash equivalents	\$ 176,220	\$ 66,618	\$ 7,844	\$ 28,664	\$ 279,346
Receivables:					
Accounts	4,412	-	-	-	4,412
Interest	49	11	1	5	66
Loans	-	-	-	-	-
Due from other governments	15,924	-	-	-	15,924
<b>TOTAL ASSETS</b>	<b>\$ 196,605</b>	<b>\$ 66,629</b>	<b>\$ 7,845</b>	<b>\$ 28,669</b>	<b>\$ 299,748</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 762	\$ -	\$ 9,849	\$ 10,611
Accrued payroll and benefits	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	-	-	7,845	174	8,019
Due to other funds	15,943	-	-	-	15,943
<b>Total Liabilities</b>	<b>15,943</b>	<b>762</b>	<b>7,845</b>	<b>10,023</b>	<b>34,573</b>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	177,652	64,357	-	18,366	260,375
Committed	-	-	-	-	-
Assigned	3,010	1,510	-	280	4,800
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>180,662</b>	<b>65,867</b>	<b>-</b>	<b>18,646</b>	<b>265,175</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 196,605</b>	<b>\$ 66,629</b>	<b>\$ 7,845</b>	<b>\$ 28,669</b>	<b>\$ 299,748</b>

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

	Special Revenue				
	Balance Brought Forward	Special Gas Tax Fund	ISTEA/RSTP Revenue Fund	Grants Fund	Balance Forward
June 30, 2015					
<b>ASSETS</b>					
Cash and cash equivalents	\$ 279,346	\$ 67,842	\$ 93,627	\$ 34,084	\$ 474,899
Receivables:					
Accounts	4,412	-	-	-	4,412
Interest	66	13	32	16	127
Loans	-	-	-	-	-
Due from other governments	15,924	-	-	175,920	191,844
<b>TOTAL ASSETS</b>	\$ 299,748	\$ 67,855	\$ 93,659	\$ 210,020	\$ 671,282
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 10,611	\$ -	\$ -	\$ 7,736	\$ 18,347
Accrued payroll and benefits	-	6,296	-	-	6,296
Accrued interest payable	-	-	-	-	-
Other liabilities	8,019	-	-	-	8,019
Due to other funds	15,943	-	-	-	15,943
<b>Total Liabilities</b>	34,573	6,296	-	7,736	48,605
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	260,375	61,433	93,312	200,292	615,412
Committed	-	-	-	-	-
Assigned	4,800	126	347	1,992	7,265
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	265,175	61,559	93,659	202,284	622,677
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ 299,748	\$ 67,855	\$ 93,659	\$ 210,020	\$ 671,282

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

	Special Revenue		
	Balance Brought Forward	Transportation Fund	Total
June 30, 2015			
<b>ASSETS</b>			
Cash and cash equivalents	\$ 474,899	\$ 877,262	\$ 1,352,161
Receivables:			
Accounts	4,412	4,982	9,394
Interest	127	104	231
Loans	-	-	-
Due from other governments	191,844	-	191,844
<b>TOTAL ASSETS</b>	<b>\$ 671,282</b>	<b>\$ 882,348</b>	<b>\$ 1,553,630</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 18,347	\$ 2,041	\$ 20,388
Accrued payroll and benefits	6,296	6,430	12,726
Accrued interest payable	-	-	-
Other liabilities	8,019	78	8,097
Due to other funds	15,943	-	15,943
<b>Total Liabilities</b>	<b>48,605</b>	<b>8,549</b>	<b>57,154</b>
<b>Fund Balances (Deficit)</b>			
Nonspendable	-	-	-
Restricted	615,412	859,076	1,474,488
Committed	-	-	-
Assigned	7,265	14,723	21,988
Unassigned	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>622,677</b>	<b>873,799</b>	<b>1,496,476</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 671,282</b>	<b>\$ 882,348</b>	<b>\$ 1,553,630</b>

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

	Capital Projects					
	General Plan Update Fund	Transportation City Design Fund	Waste Water Treatment Plant Capital Reserve Fund	Flood Protection Capital Improvement Fund	Balance Forward	
June 30, 2015						
<b>ASSETS</b>						
Cash and cash equivalents	\$ 86,814	\$ 165,027	\$ 828,907	\$ 230,935	\$ 1,311,683	
Receivables:						
Accounts	-	-	-	-	-	
Interest	14	28	-	39	81	
Loans	-	-	-	-	-	
Due from other governments	-	-	-	-	-	
<b>TOTAL ASSETS</b>	\$ 86,828	\$ 165,055	\$ 828,907	\$ 230,974	\$ 1,311,764	
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 1,716	\$ -	\$ -	\$ 1,716	
Accrued payroll and benefits	-	-	-	-	-	
Accrued interest payable	-	-	-	-	-	
Other liabilities	-	-	-	-	-	
Due to other funds	-	-	-	-	-	
<b>Total Liabilities</b>	-	1,716	-	-	1,716	
<b>Fund Balances (Deficit)</b>						
Nonspendable	-	-	-	-	-	
Restricted	-	-	-	225,986	225,986	
Committed	85,113	158,964	813,210	-	1,057,287	
Assigned	1,715	4,375	15,697	4,988	26,775	
Unassigned	-	-	-	-	-	
<b>Total Fund Balances (Deficit)</b>	86,828	163,339	828,907	230,974	1,310,048	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ 86,828	\$ 165,055	\$ 828,907	\$ 230,974	\$ 1,311,764	

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

	Capital Projects				
June 30, 2015	Balance Brought Forward	Fire Protection Capital Improvement Fund	Police Protection Capital Improvement Fund	City Administration and Equipment Capital Improvement Fund	Balance Forward
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,311,683	\$ -	\$ 12,696	\$ 72,846	\$ 1,397,225
Receivables:					
Accounts	-	-	-	-	-
Interest	81	-	2	12	95
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>TOTAL ASSETS</b>	\$ 1,311,764	\$ -	\$ 12,698	\$ 72,858	\$ 1,397,320
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,716	\$ -	\$ -	\$ -	\$ 1,716
Accrued payroll and benefits	-	-	-	-	-
Accrued interest payable	-	9	-	-	9
Other liabilities	-	-	-	-	-
Due to other funds	-	55,334	-	-	55,334
<b>Total Liabilities</b>	1,716	55,343	-	-	57,059
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	225,986	-	12,665	70,293	308,944
Committed	1,057,287	-	-	-	1,057,287
Assigned	26,775	-	33	2,565	29,373
Unassigned	-	(55,343)	-	-	(55,343)
<b>Total Fund Balances (Deficit)</b>	1,310,048	(55,343)	12,698	72,858	1,340,261
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ 1,311,764	\$ -	\$ 12,698	\$ 72,858	\$ 1,397,320

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

June 30, 2015	Capital Projects				
	Balance Brought Forward	Meadowbrook Street Capital Projects Fund	Proposition 1B Capital Fund	Waste Water Treatment Plant Capital Improvement Fund	Balance Forward
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,397,225	\$ 42,269	\$ -	\$ 901,405	\$ 2,340,899
Receivables:					
Accounts	-	-	-	-	-
Interest	95	7	-	151	253
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,397,320</b>	<b>\$ 42,276</b>	<b>\$ -</b>	<b>\$ 901,556</b>	<b>\$ 2,341,152</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,716	\$ -	\$ -	\$ -	\$ 1,716
Accrued payroll and benefits	-	-	-	-	-
Accrued interest payable	9	-	-	-	9
Other liabilities	-	-	-	-	-
Due to other funds	55,334	-	-	-	55,334
<b>Total Liabilities</b>	<b>57,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,059</b>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	308,944	41,418	-	890,408	1,240,770
Committed	1,057,287	-	-	-	1,057,287
Assigned	29,373	858	-	11,148	41,379
Unassigned	(55,343)	-	-	-	(55,343)
<b>Total Fund Balances (Deficit)</b>	<b>1,340,261</b>	<b>42,276</b>	<b>-</b>	<b>901,556</b>	<b>2,284,093</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,397,320</b>	<b>\$ 42,276</b>	<b>\$ -</b>	<b>\$ 901,556</b>	<b>\$ 2,341,152</b>

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

	Capital Projects				
	Balance Brought Forward	Waste Water Collection System Capital Improvement Fund	Water Capital Improvement Fund	Airport Capital Improvement Fund	Balance Forward
June 30, 2015					
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,340,899	\$ 803,474	\$ 893,774	\$ 40,252	\$ 4,078,399
Receivables:					
Accounts	-	-	-	-	-
Interest	253	135	149	7	544
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,341,152</b>	<b>\$ 803,609</b>	<b>\$ 893,923</b>	<b>\$ 40,259</b>	<b>\$ 4,078,943</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,716	\$ -	\$ -	\$ -	\$ 1,716
Accrued payroll and benefits	-	-	-	-	-
Accrued interest payable	9	-	-	-	9
Other liabilities	-	-	-	-	-
Due to other funds	55,334	-	-	-	55,334
<b>Total Liabilities</b>	<b>57,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,059</b>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	1,240,770	794,483	882,905	39,359	2,957,517
Committed	1,057,287	-	-	-	1,057,287
Assigned	41,379	9,126	11,018	900	62,423
Unassigned	(55,343)	-	-	-	(55,343)
<b>Total Fund Balances (Deficit)</b>	<b>2,284,093</b>	<b>803,609</b>	<b>893,923</b>	<b>40,259</b>	<b>4,021,884</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,341,152</b>	<b>\$ 803,609</b>	<b>\$ 893,923</b>	<b>\$ 40,259</b>	<b>\$ 4,078,943</b>



# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

June 30, 2015			Capital Projects		Total	Total Nonmajor Governmental Funds		
	Balance Brought Forward	Parks and Recreation Facilities Capital Improvement Fund						
<b>ASSETS</b>								
Cash and cash equivalents	\$	4,078,399	\$	18,978	\$	4,097,377	\$	5,449,538
Receivables:								
Accounts		-		-		-		9,394
Interest		544		3		547		778
Loans		-		-		-		-
Due from other governments		-		-		-		191,844
<b>TOTAL ASSETS</b>	\$	4,078,943	\$	18,981	\$	4,097,924	\$	5,651,554
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$	1,716	\$	-	\$	1,716	\$	22,104
Accrued payroll and benefits		-		-		-		12,726
Accrued interest payable		9		-		9		9
Other liabilities		-		-		-		8,097
Due to other funds		55,334		-		55,334		71,277
<b>Total Liabilities</b>		57,059		-		57,059		114,213
<b>Fund Balances (Deficit)</b>								
Nonspendable		-		-		-		-
Restricted		2,957,517		18,239		2,975,756		4,450,244
Committed		1,057,287		-		1,057,287		1,057,287
Assigned		62,423		742		63,165		85,153
Unassigned		(55,343)		-		(55,343)		(55,343)
<b>Total Fund Balances (Deficit)</b>		4,021,884		18,981		4,040,865		5,537,341
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$	4,078,943	\$	18,981	\$	4,097,924	\$	5,651,554

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2015	Special Revenue				
	Traffic Safety Fund	Charter - PEG Fees Fund	Public Safety Fund	Broadcasting Labor Fund	Balance Forward
<b>Revenues</b>					
Other taxes	\$ -	\$ -	\$ 99,296	\$ -	\$ 99,296
Fines, forfeitures, and penalties	30,117	-	-	-	30,117
Use of money and property	59	825	219	113	1,216
Intergovernmental revenue	-	-	-	-	-
Other revenues	-	17,485	-	-	17,485
<b>Total Revenues</b>	<b>30,176</b>	<b>18,310</b>	<b>99,515</b>	<b>113</b>	<b>148,114</b>
<b>Expenditures</b>					
Current:					
Parks and recreation	-	-	-	-	-
Transportation and streets	-	-	-	-	-
Grants and program income	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>30,176</b>	<b>18,310</b>	<b>99,515</b>	<b>113</b>	<b>148,114</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	(30,175)	-	(99,515)	-	(129,690)
<b>Total Other Financing Sources (Uses)</b>	<b>(30,175)</b>	<b>-</b>	<b>(99,515)</b>	<b>-</b>	<b>(129,690)</b>
<b>Net Change in Fund Balances</b>	<b>1</b>	<b>18,310</b>	<b>-</b>	<b>113</b>	<b>18,424</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>-</b>	<b>141,996</b>	<b>-</b>	<b>20,242</b>	<b>162,238</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 1</b>	<b>\$ 160,306</b>	<b>\$ -</b>	<b>\$ 20,355</b>	<b>\$ 180,662</b>

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (Continued)

Year Ended June 30, 2015	Special Revenue				
	Balance Brought Forward	Proposition 30 Fund	Asset Forfeiture Fund	Local Transportation Fund	Balance Forward
<b>Revenues</b>					
Other taxes	\$ 99,296	\$ -	\$ -	\$ -	99,296
Fines, forfeitures, and penalties	30,117	-	-	-	30,117
Use of money and property	1,216	652	-	280	2,148
Intergovernmental revenue	-	124,725	-	196,051	320,776
Other revenues	17,485	-	-	-	17,485
<b>Total Revenues</b>	<b>148,114</b>	<b>125,377</b>	<b>-</b>	<b>196,331</b>	<b>469,822</b>
<b>Expenditures</b>					
Current:					
Parks and recreation	-	-	-	-	-
Transportation and streets	-	-	-	177,212	177,212
Grants and program income	-	-	-	-	-
Capital outlay	-	43,412	-	-	43,412
Debt service:					
Principal	-	6,265	-	-	6,265
Interest	-	2,780	38	-	2,818
<b>Total Expenditures</b>	<b>-</b>	<b>52,457</b>	<b>38</b>	<b>177,212</b>	<b>229,707</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>148,114</b>	<b>72,920</b>	<b>(38)</b>	<b>19,119</b>	<b>240,115</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	(129,690)	(37,956)	-	(473)	(168,119)
<b>Total Other Financing Sources (Uses)</b>	<b>(129,690)</b>	<b>(37,956)</b>	<b>-</b>	<b>(473)</b>	<b>(168,119)</b>
<b>Net Change in Fund Balances</b>	<b>18,424</b>	<b>34,964</b>	<b>(38)</b>	<b>18,646</b>	<b>71,996</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>162,238</b>	<b>30,903</b>	<b>38</b>	<b>-</b>	<b>193,179</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 180,662</b>	<b>\$ 65,867</b>	<b>\$ -</b>	<b>\$ 18,646</b>	<b>\$ 265,175</b>

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (Continued)

Year Ended June 30, 2015	Special Revenue				
	Balance Brought Forward	Special Gas Tax Fund	ISTEA/RSTP Revenue Fund	Grants Fund	Total
<b>Revenues</b>					
Other taxes	\$ 99,296	\$ -	\$ -	\$ -	99,296
Fines, forfeitures, and penalties	30,117	-	-	-	30,117
Use of money and property	2,148	126	347	982	3,603
Intergovernmental revenue	320,776	364,331	98,447	196,049	979,603
Other revenues	17,485	2	-	81	17,568
<b>Total Revenues</b>	<b>469,822</b>	<b>364,459</b>	<b>98,794</b>	<b>197,112</b>	<b>1,130,187</b>
<b>Expenditures</b>					
Current:					
Parks and recreation	-	-	-	-	-
Transportation and streets	177,212	302,900	-	-	480,112
Grants and program income	-	-	-	5,000	5,000
Capital outlay	43,412	-	5,135	197,387	245,934
Debt service:					
Principal	6,265	-	-	-	6,265
Interest	2,818	-	-	-	2,818
<b>Total Expenditures</b>	<b>229,707</b>	<b>302,900</b>	<b>5,135</b>	<b>202,387</b>	<b>740,129</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>240,115</b>	<b>61,559</b>	<b>93,659</b>	<b>(5,275)</b>	<b>390,058</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	(168,119)	-	-	-	(168,119)
<b>Total Other Financing Sources (Uses)</b>	<b>(168,119)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(168,119)</b>
<b>Net Change in Fund Balances</b>	<b>71,996</b>	<b>61,559</b>	<b>93,659</b>	<b>(5,275)</b>	<b>221,939</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>193,179</b>	<b>-</b>	<b>-</b>	<b>207,559</b>	<b>400,738</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 265,175</b>	<b>\$ 61,559</b>	<b>\$ 93,659</b>	<b>\$ 202,284</b>	<b>\$ 622,677</b>

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (Continued)

Year Ended June 30, 2015	Special Revenue		
	Balance Brought Forward	Transportation Fund	Total
<b>Revenues</b>			
Other taxes	\$ 99,296	\$ 61,753	\$ 161,049
Fines, forfeitures, and penalties	30,117	-	30,117
Use of money and property	3,603	4,616	8,219
Intergovernmental revenue	979,603	-	979,603
Other revenues	17,568	22,635	40,203
<b>Total Revenues</b>	<b>1,130,187</b>	<b>89,004</b>	<b>1,219,191</b>
<b>Expenditures</b>			
Current:			
Parks and recreation	-	-	-
Transportation and streets	480,112	447,130	927,242
Grants and program income	5,000	-	5,000
Capital outlay	245,934	66,814	312,748
Debt service:			
Principal	6,265	-	6,265
Interest	2,818	-	2,818
<b>Total Expenditures</b>	<b>740,129</b>	<b>513,944</b>	<b>1,254,073</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>390,058</b>	<b>(424,940)</b>	<b>(34,882)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	232,404	232,404
Transfers out	(168,119)	(83,876)	(251,995)
<b>Total Other Financing Sources (Uses)</b>	<b>(168,119)</b>	<b>148,528</b>	<b>(19,591)</b>
<b>Net Change in Fund Balances</b>	<b>221,939</b>	<b>(276,412)</b>	<b>(54,473)</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>400,738</b>	<b>1,150,211</b>	<b>1,550,949</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 622,677</b>	<b>\$ 873,799</b>	<b>\$ 1,496,476</b>

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (Continued)

	Capital Projects				
	General Plan Update Fund	Transportation City Design Fund	Waste Water Treatment Plant Capital Reserve Fund	Flood Protection Capital Improvement Fund	Balance Forward
Year Ended June 30, 2015					
<b>Revenues</b>					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Fines, forfeitures, and penalties	-	-	-	-	-
Use of money and property	485	1,089	4,249	1,258	7,081
Intergovernmental revenue	-	-	-	-	-
Other revenues	-	-	-	14,781	14,781
<b>Total Revenues</b>	485	1,089	4,249	16,039	21,862
<b>Expenditures</b>					
Current:					
Parks and recreation	-	-	-	-	-
Transportation and streets	-	-	-	-	-
Grants and program income	-	-	-	-	-
Capital outlay	-	60,991	-	2,698	63,689
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	-	60,991	-	2,698	63,689
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	485	(59,902)	4,249	13,341	(41,827)
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-
<b>Net Change in Fund Balances</b>	485	(59,902)	4,249	13,341	(41,827)
<b>Fund Balances (Deficit) - Beginning of Year</b>	86,343	223,241	824,658	217,633	1,351,875
<b>Fund Balances (Deficit) - End of Year</b>	\$ 86,828	\$ 163,339	\$ 828,907	\$ 230,974	\$ 1,310,048

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (Continued)

	Capital Projects				
	Balance Brought Forward	Fire Protection Capital Improvement Fund	Police Protection Capital Improvement Fund	City Administration and Equipment Capital Improvement Fund	Balance Forward
Year Ended June 30, 2015					
<b>Revenues</b>					
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-	-
Use of money and property	7,081	-	33	656	7,770
Intergovernmental revenue	-	-	-	-	-
Other revenues	14,781	14,661	13,660	12,914	56,016
<b>Total Revenues</b>	<b>21,862</b>	<b>14,661</b>	<b>13,693</b>	<b>13,570</b>	<b>63,786</b>
<b>Expenditures</b>					
Current:					
Parks and recreation	-	-	-	-	-
Transportation and streets	-	-	-	-	-
Grants and program income	-	-	-	-	-
Capital outlay	63,689	-	-	55,677	119,366
Debt service:					
Principal	-	-	-	-	-
Interest	-	349	-	-	349
<b>Total Expenditures</b>	<b>63,689</b>	<b>349</b>	<b>-</b>	<b>55,677</b>	<b>119,715</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(41,827)</b>	<b>14,312</b>	<b>13,693</b>	<b>(42,107)</b>	<b>(55,929)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(41,827)</b>	<b>14,312</b>	<b>13,693</b>	<b>(42,107)</b>	<b>(55,929)</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>1,351,875</b>	<b>(69,655)</b>	<b>(995)</b>	<b>114,965</b>	<b>1,396,190</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 1,310,048</b>	<b>\$ (55,343)</b>	<b>\$ 12,698</b>	<b>\$ 72,858</b>	<b>\$ 1,340,261</b>

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (Continued)

	Capital Projects				
	Balance Brought Forward	Meadowbrook Street Capital Projects Fund	Proposition 1B Capital Fund	Waste Water Treatment Plant Capital Improvement Fund	Balance Forward
Year Ended June 30, 2015					
<b>Revenues</b>					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Fines, forfeitures, and penalties	-	-	-	-	-
Use of money and property	7,770	234	-	4,182	12,186
Intergovernmental revenue	-	-	-	-	-
Other revenues	56,016	234	-	306,740	362,990
<b>Total Revenues</b>	63,786	468	-	310,922	375,176
<b>Expenditures</b>					
Current:					
Parks and recreation	-	-	-	-	-
Transportation and streets	-	-	-	-	-
Grants and program income	-	-	-	-	-
Capital outlay	119,366	-	-	-	119,366
Debt service:					
Principal	-	-	-	-	-
Interest	349	-	-	-	349
<b>Total Expenditures</b>	119,715	-	-	-	119,715
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(55,929)	468	-	310,922	255,461
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-
<b>Net Change in Fund Balances</b>	(55,929)	468	-	310,922	255,461
<b>Fund Balances (Deficit) - Beginning of Year</b>	1,396,190	41,808	-	590,634	2,028,632
<b>Fund Balances (Deficit) - End of Year</b>	\$ 1,340,261	\$ 42,276	\$ -	\$ 901,556	\$ 2,284,093



# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (Continued)

	Capital Projects				
	Balance Brought Forward	Waste Water Collection System Capital Improvement Fund	Water Capital Improvement Fund	Airport Capital Improvement Fund	Balance Forward
Year Ended June 30, 2015					
<b>Revenues</b>					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Fines, forfeitures, and penalties	-	-	-	-	-
Use of money and property	12,186	3,744	4,348	223	20,501
Intergovernmental revenue	-	-	-	-	-
Other revenues	362,990	265,956	233,070	584	862,600
<b>Total Revenues</b>	375,176	269,700	237,418	807	883,101
<b>Expenditures</b>					
Current:					
Parks and recreation	-	-	-	-	-
Transportation and streets	-	-	-	-	-
Grants and program income	-	-	-	-	-
Capital outlay	119,366	-	-	-	119,366
Debt service:					
Principal	-	-	-	-	-
Interest	349	-	-	-	349
<b>Total Expenditures</b>	119,715	-	-	-	119,715
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	255,461	269,700	237,418	807	763,386
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-
<b>Net Change in Fund Balances</b>	255,461	269,700	237,418	807	763,386
<b>Fund Balances (Deficit) - Beginning of Year</b>	2,028,632	533,909	656,505	39,452	3,258,498
<b>Fund Balances (Deficit) - End of Year</b>	\$ 2,284,093	\$ 803,609	\$ 893,923	\$ 40,259	\$ 4,021,884

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (Continued)

Year Ended June 30, 2015	Capital Projects			Total	Total Nonmajor Governmental Funds
	Balance Brought Forward	Parks and Recreation Facilities Capital Improvement Fund			
<b>Revenues</b>					
Other taxes	\$ -	\$ -	\$ -	\$ -	161,049
Fines, forfeitures, and penalties	-	-	-	-	30,117
Use of money and property	20,501	62	20,563		28,782
Intergovernmental revenue	-	-	-	-	979,603
Other revenues	862,600	15,104	877,704		917,907
<b>Total Revenues</b>	883,101	15,166	898,267		2,117,458
<b>Expenditures</b>					
Current:					
Parks and recreation	-	-	-	-	-
Transportation and streets	-	-	-	-	927,242
Grants and program income	-	-	-	-	5,000
Capital outlay	119,366	-	119,366		432,114
Debt service:					
Principal	-	-	-	-	6,265
Interest	349	-	349		3,167
<b>Total Expenditures</b>	119,715	-	119,715		1,373,788
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	763,386	15,166	778,552		743,670
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	232,404
Transfers out	-	-	-	-	(251,995)
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	(19,591)
<b>Net Change in Fund Balances</b>	763,386	15,166	778,552		724,079
<b>Fund Balances (Deficit) - Beginning of Year</b>	3,258,498	3,815	3,262,313		4,813,262
<b>Fund Balances (Deficit) - End of Year</b>	\$ 4,021,884	\$ 18,981	\$ 4,040,865	\$	5,537,341

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS

Year Ended June 30, 2015	Traffic Safety Fund				Charter - PEG Fees Fund			
	Budgeted Amounts		Actual	Variance With Final Budget	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final			Original	Final		
<b>Revenues</b>								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	30,000	30,000	30,117	117	-	-	-	-
Use of money and property	55	55	59	4	400	400	825	425
Intergovernmental revenue	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	28,000	28,000	17,485	(10,515)
<b>Total Revenues</b>	30,055	30,055	30,176	121	28,400	28,400	18,310	(10,090)
<b>Expenditures</b>								
Current:								
Parks and recreation	-	-	-	-	-	-	-	-
Transportation and streets	-	-	-	-	-	-	-	-
Grants and program income	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	30,055	30,055	30,176	121	28,400	28,400	18,310	(10,090)
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(30,055)	(30,055)	(30,175)	(120)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	(30,055)	(30,055)	(30,175)	(120)	-	-	-	-
<b>Net Change in Fund Balances</b>	-	-	1	1	28,400	28,400	18,310	(10,090)
<b>Fund Balances (Deficit) - Beginning of Year</b>	-	-	-	-	141,996	141,996	141,996	-
<b>Fund Balances (Deficit) - End of Year</b>	\$ -	\$ -	\$ 1	\$ 1	\$ 170,396	\$ 170,396	\$ 160,306	\$ (10,090)

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Year Ended June 30, 2015	Public Safety fund				Broadcasting Labor Fund			
	Budgeted Amounts		Actual	Variance With Final Budget	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final			Original	Final		
<b>Revenues</b>								
Other taxes	\$ 80,000	\$ 80,000	\$ 99,296	\$ 19,296	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-
Use of money and property	150	150	219	69	75	75	113	38
Intergovernmental revenue	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	80,150	80,150	99,515	19,365	75	75	113	38
<b>Expenditures</b>								
Current:								
Parks and recreation	-	-	-	-	-	-	-	-
Transportation and streets	-	-	-	-	-	-	-	-
Grants and program income	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	10,000	10,000	-	10,000
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	10,000	10,000	-	10,000
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	80,150	80,150	99,515	19,365	(9,925)	(9,925)	113	10,038
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers out	(80,150)	(80,150)	(99,515)	(19,365)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	(80,150)	(80,150)	(99,515)	(19,365)	-	-	-	-
<b>Net Change in Fund Balances</b>	-	-	-	-	(9,925)	(9,925)	113	10,038
<b>Fund Balances (Deficit) - Beginning of Year</b>	-	-	-	-	20,242	20,242	20,242	-
<b>Fund Balances (Deficit) - End of Year</b>	\$ -	\$ -	\$ -	\$ -	\$ 10,317	\$ 10,317	\$ 20,355	\$ 10,038

## City of Red Bluff

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Year Ended June 30, 2015	Proposition 30 Fund				Asset Forfeiture Fund			
	Budgeted Amounts		Actual	Variance With Final Budget	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final			Original	Final		
<b>Revenues</b>								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-
Use of money and property	20	20	652	632	25	25	-	(25)
Intergovernmental revenue	104,811	104,811	124,725	19,914	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	104,831	104,831	125,377	20,546	25	25	-	(25)
<b>Expenditures</b>								
Current:								
Parks and recreation	-	-	-	-	-	-	-	-
Transportation and streets	-	-	-	-	-	-	-	-
Grants and program income	-	-	-	-	-	-	-	-
Capital outlay	64,811	64,811	43,412	21,399	-	-	-	-
Debt service:								
Principal	-	-	6,265	(6,265)	-	-	-	-
Interest	-	-	2,780	(2,780)	-	-	38	(38)
<b>Total Expenditures</b>	64,811	64,811	52,457	12,354	-	-	38	(38)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	40,020	40,020	72,920	32,900	25	25	(38)	(63)
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(40,000)	(40,000)	(37,956)	2,044	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	(40,000)	(40,000)	(37,956)	2,044	-	-	-	-
<b>Net Change in Fund Balances</b>	20	20	34,964	34,944	25	25	(38)	(63)
<b>Fund Balances (Deficit) - Beginning of Year</b>	30,903	30,903	30,903	-	38	38	38	-
<b>Fund Balances (Deficit) - End of Year</b>	\$ 30,923	\$ 30,923	\$ 65,867	\$ 34,944	\$ 63	\$ 63	\$ -	\$ (63)

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Year Ended June 30, 2015	Local Transportation Fund				Special Gas Tax Fund			
	Budgeted Amounts		Actual	Variance With Final Budget	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final			Original	Final		
<b>Revenues</b>								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-
Use of money and property	-	-	280	280	325	325	126	(199)
Intergovernmental revenue	190,000	190,000	196,051	6,051	361,100	361,100	364,331	3,231
Other revenues	-	-	-	-	-	-	2	2
<b>Total Revenues</b>	190,000	190,000	196,331	6,331	361,425	361,425	364,459	3,034
<b>Expenditures</b>								
Current:								
Parks and recreation	-	-	-	-	-	-	-	-
Transportation and streets	8,000	8,000	177,212	(169,212)	-	-	302,900	(302,900)
Grants and program income	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	25	25	-	25	-	-	-	-
<b>Total Expenditures</b>	8,025	8,025	177,212	(169,187)	-	-	302,900	(302,900)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	181,975	181,975	19,119	(162,856)	361,425	361,425	61,559	(299,866)
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(181,975)	(181,975)	(473)	181,502	(361,425)	(361,425)	-	361,425
<b>Total Other Financing Sources (Uses)</b>	(181,975)	(181,975)	(473)	181,502	(361,425)	(361,425)	-	361,425
<b>Net Change in Fund Balances</b>	-	-	18,646	18,646	-	-	61,559	61,559
<b>Fund Balances (Deficit) - Beginning of Year</b>	-	-	-	-	-	-	-	-
<b>Fund Balances (Deficit) - End of Year</b>	\$ -	\$ -	\$ 18,646	\$ 18,646	\$ -	\$ -	\$ 61,559	\$ 61,559

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Year Ended June 30, 2015	ISTEA/RSTP Revenue Fund				Grants Fund			
	Budgeted Amounts		Actual	Variance With Final Budget	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final			Original	Final		
<b>Revenues</b>								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-
Use of money and property	300	300	347	47	250	250	982	732
Intergovernmental revenue	85,000	85,000	98,447	13,447	40,010	228,010	196,049	(31,961)
Other revenues	-	-	-	-	-	-	81	81
<b>Total Revenues</b>	<b>85,300</b>	<b>85,300</b>	<b>98,794</b>	<b>13,494</b>	<b>40,260</b>	<b>228,260</b>	<b>197,112</b>	<b>(31,148)</b>
<b>Expenditures</b>								
Current:								
Parks and recreation	-	-	-	-	-	-	-	-
Transportation and streets	-	-	-	-	-	-	-	-
Grants and program income	-	-	-	-	5,000	5,000	5,000	-
Capital outlay	-	-	5,135	(5,135)	35,010	223,010	197,387	25,623
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>5,135</b>	<b>(5,135)</b>	<b>40,010</b>	<b>228,010</b>	<b>202,387</b>	<b>25,623</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>85,300</b>	<b>85,300</b>	<b>93,659</b>	<b>8,359</b>	<b>250</b>	<b>250</b>	<b>(5,275)</b>	<b>(5,525)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(85,300)	(85,300)	-	85,300	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(85,300)</b>	<b>(85,300)</b>	<b>-</b>	<b>85,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>93,659</b>	<b>93,659</b>	<b>250</b>	<b>250</b>	<b>(5,275)</b>	<b>(5,525)</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>207,559</b>	<b>207,559</b>	<b>207,559</b>	<b>-</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 93,659</b>	<b>\$ 93,659</b>	<b>\$ 207,809</b>	<b>\$ 207,809</b>	<b>\$ 202,284</b>	<b>\$ (5,525)</b>

## City of Red Bluff

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Year Ended June 30, 2015	Transportation Fund			
	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
<b>Revenues</b>				
Other taxes	\$ 61,000	\$ 61,000	\$ 61,753	\$ 753
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	1,000	1,000	4,616	3,616
Intergovernmental revenue	-	-	-	-
Other revenues	-	-	22,635	22,635
<b>Total Revenues</b>	62,000	62,000	89,004	27,004
<b>Expenditures</b>				
Current:				
Parks and recreation	-	-	-	-
Transportation and streets	931,658	938,633	447,130	491,503
Grants and program income	-	-	-	-
Capital outlay	380,000	380,000	66,814	313,186
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	1,311,658	1,318,633	513,944	804,689
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,249,658)	(1,256,633)	(424,940)	831,693
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,070,649	1,070,649	232,404	(838,245)
Transfers out	(89,681)	(89,681)	(83,876)	5,805
<b>Total Other Financing Sources (Uses)</b>	980,968	980,968	148,528	(832,440)
<b>Net Change in Fund Balances</b>	(268,690)	(275,665)	(276,412)	(747)
<b>Fund Balances (Deficit) - Beginning of Year</b>	1,150,211	1,150,211	1,150,211	-
<b>Fund Balances (Deficit) - End of Year</b>	\$ 881,521	\$ 874,546	\$ 873,799	\$ (747)



## **City of Red Bluff**

### **NONMAJOR PROPRIETARY FUNDS**

#### **NONMAJOR PROPRIETARY FUNDS**

Nonmajor proprietary funds are used to account for revenues and expenses that are related to various municipal services offered by the City.

*Community Development Fund:* This fund accounts for the revenues and expenses related to the operation and maintenance of the building and planning facilities of the City.

*Airport Fund:* This fund accounts for the revenues and expenses related to the operation and maintenance of the airport facilities of the City.

*Community Center Fund:* This fund accounts for the revenues and expenses related to the operation and maintenance of the community center facilities of the City.

# City of Red Bluff

## COMBINING STATEMENT OF NET POSITION – NONMAJOR PROPRIETARY FUNDS

June 30, 2015	Nonmajor Enterprise			
	Community Development Fund	Airport Fund	Community Center Fund	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 614,140	\$ 144,730	\$ -	\$ 758,870
Receivables:				
Accounts - net	-	681	2,731	3,412
Interest	112	34	-	146
Due from other governments	-	5,019	53,318	58,337
<b>Total Current Assets</b>	<b>614,252</b>	<b>150,464</b>	<b>56,049</b>	<b>820,765</b>
<b>Noncurrent Assets</b>				
Nondepreciable capital assets	-	440,925	-	440,925
Depreciable capital assets - net	3,251	1,582,765	12,570	1,598,586
<b>Total Noncurrent Assets</b>	<b>3,251</b>	<b>2,023,690</b>	<b>12,570</b>	<b>2,039,511</b>
<b>Total Assets</b>	<b>617,503</b>	<b>2,174,154</b>	<b>68,619</b>	<b>2,860,276</b>
<b>Deferred Outflows of Resouces</b>				
Deferred outflows from pensions	21,788	-	17,561	39,349
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 639,291</b>	<b>\$ 2,174,154</b>	<b>\$ 86,180</b>	<b>\$ 2,899,625</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 8,983	\$ 10,341	\$ 5,092	\$ 24,416
Accrued interest payable	-	-	23	23
Accrued payroll and benefits	2,929	-	4,029	6,958
Customer/employee deposits	863	-	8,874	9,737
Other liabilities	8	15	2,666	2,689
Due to other funds	-	-	35,484	35,484
Compensated absences payable - current	7,755	-	3,113	10,868
<b>Total Current Liabilities</b>	<b>20,538</b>	<b>10,356</b>	<b>59,281</b>	<b>90,175</b>
<b>Noncurrent Liabilities</b>				
Net pension liability	242,380	-	195,351	437,731
Compensated absences payable - net	23,263	-	9,338	32,601
<b>Total Noncurrent Liabilities</b>	<b>265,643</b>	<b>-</b>	<b>204,689</b>	<b>470,332</b>
<b>Total Liabilities</b>	<b>286,181</b>	<b>10,356</b>	<b>263,970</b>	<b>560,507</b>
<b>Deferred Inflows of Resouces</b>				
Deferred inflows from pension	89,734	-	72,323	162,057
<b>Net Position</b>				
Net investment in capital assets	3,251	2,023,690	12,570	2,039,511
Unrestricted	260,125	140,108	(262,683)	137,550
<b>Total Net Position</b>	<b>263,376</b>	<b>2,163,798</b>	<b>(250,113)</b>	<b>2,177,061</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 639,291</b>	<b>\$ 2,174,154</b>	<b>\$ 86,180</b>	<b>\$ 2,899,625</b>

# City of Red Bluff

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – NONMAJOR PROPRIETARY FUNDS

Year Ended June 30, 2015	Nonmajor Enterprise			
	Community Development Fund	Airport Fund	Community Center Fund	Totals
<b>Operating Revenues</b>				
Charges for current services:				
Permits and fees	\$ 536,699	\$ -	\$ -	536,699
Rental revenue	-	111,820	109,713	221,533
Other revenue	-	18,281	14,999	33,280
<b>Total Operating Revenues</b>	536,699	130,101	124,712	791,512
<b>Operating Expenses</b>				
Cost of power and transportation	-	18,127	46,357	64,484
Maintenance, operations, and administration	278,594	30,192	247,827	556,613
Depreciation expense	1,500	132,950	646	135,096
<b>Total Operating Expenses</b>	280,094	181,269	294,830	756,193
<b>Operating Income (Loss)</b>	256,605	(51,168)	(170,118)	35,319
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental revenues	-	36,348	83,318	119,666
Investment income	3,125	1,116	-	4,241
Interest expense	-	-	(436)	(436)
<b>Total Nonoperating Revenues (Expenses)</b>	3,125	37,464	82,882	123,471
<b>Income Before Operating Transfers</b>	259,730	(13,704)	(87,236)	158,790
Transfers in	27,192	-	83,964	111,156
Transfers out	(89,472)	(62,282)	-	(151,754)
<b>Change in Net Position</b>	197,450	(75,986)	(3,272)	118,192
<b>Total Net Position - Beginning of Year</b>	65,926	2,239,784	(246,841)	2,058,869
<b>Total Net Position - End of Year</b>	\$ 263,376	\$ 2,163,798	\$ (250,113)	\$ 2,177,061

# City of Red Bluff

## COMBINING STATEMENT OF CASH FLOWS – NONMAJOR PROPRIETARY FUNDS

June 30, 2015

Year Ended June 30, 2015	Community Development Fund	Airport Fund	Community Center Fund	Total Other Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 537,270	\$ 132,947	\$ 123,575	\$ 793,792
Cash paid to employees (including employee benefits)	(233,407)	-	(185,185)	(418,592)
Cash paid to suppliers	(68,968)	(48,275)	(94,772)	(212,015)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>234,895</b>	<b>84,672</b>	<b>(156,382)</b>	<b>163,185</b>
<b>CASH FLOWS FROM NONCAPITAL</b>				
Cash received from (paid to) other funds	-	-	(4,325)	(4,325)
Transfers in	27,192	-	83,964	111,156
Transfers out	(89,472)	(62,282)	-	(151,754)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(62,280)</b>	<b>(62,282)</b>	<b>79,639</b>	<b>(44,923)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Intergovernmental revenue received	-	31,329	77,175	108,504
Payments for the purchase of capital assets	-	(49,341)	-	(49,341)
Debt interest paid	(18)	-	(432)	(450)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(18)</b>	<b>(18,012)</b>	<b>76,743</b>	<b>58,713</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	3,102	1,104	-	4,206
<b>Net Cash Provided by Investing Activities</b>	<b>3,102</b>	<b>1,104</b>	<b>-</b>	<b>4,206</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>175,699</b>	<b>5,482</b>	<b>-</b>	<b>181,181</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>438,441</b>	<b>139,248</b>	<b>-</b>	<b>577,689</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 614,140</b>	<b>\$ 144,730</b>	<b>\$ -</b>	<b>\$ 758,870</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 256,605	\$ (51,168)	\$ (170,118)	\$ 35,319
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1,500	132,950	646	135,096
Changes in:				
Accounts receivable	-	2,846	(1,413)	1,433
Deferred outflows from pensions	(9,043)	-	(7,289)	(16,332)
Accounts payable	8,441	54	1,333	9,828
Accrued payroll and benefits	(1,636)	-	2,635	999
Customer/employee deposits	571	-	276	847
Other liabilities	8	(10)	1,939	1,937
Net pension liability	(76,631)	-	(61,762)	(138,393)
Compensated absences payable	(34,654)	-	5,048	(29,606)
Deferred inflows from pensions	89,734	-	72,323	162,057
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 234,895</b>	<b>\$ 84,672</b>	<b>\$ (156,382)</b>	<b>\$ 163,185</b>

## **STATISTICAL SECTION**

# City of Red Bluff

## STATISTICAL SECTION (UNAUDITED)

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

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## City of Red Bluff

### STATISTICAL SECTION (UNAUDITED)

(Continued)

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The Governmental Accounting Standards Board Statement No. 34 required governments with less than \$10 million in annual revenues to comply with increased reporting standards starting in fiscal years beginning after June 15, 2003. Statistical schedules reflect information from FY 2005-2006 to present where ten years of data is required.

# City of Red Bluff

## NET POSITION

Last Ten Fiscal Years (Accrual Basis of Accounting)

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012**	2012-2013	2013-2014*	2014-2015
<b>Governmental activities:</b>										
Investment in capital assets, net of related debt	\$ 39,500,136	\$ 38,422,278	\$ 37,817,060	\$ 36,615,441	\$ 35,014,910	\$ 33,797,383	\$ 33,280,481	\$ 30,983,036	\$ 29,608,502	\$ 28,525,737
Restricted	2,713,713	6,353,608	7,204,350	7,627,082	8,156,518	9,857,681	9,228,313	10,235,224	9,840,230	10,910,942
Unrestricted	4,097,585	2,354,393	1,947,239	1,091,390	712,231	653,482	453,041	638,560	(8,236,458)	(8,144,522)
<b>Total governmental activities net assets</b>	<b>\$ 46,311,434</b>	<b>\$ 47,130,279</b>	<b>\$ 46,968,649</b>	<b>\$ 45,333,913</b>	<b>\$ 43,883,659</b>	<b>\$ 44,308,546</b>	<b>\$ 42,961,835</b>	<b>\$ 41,856,820</b>	<b>\$ 31,212,274</b>	<b>\$ 31,292,157</b>
<b>Business-type activities:</b>										
Investment in capital assets, net of related debt	\$ 11,292,387	\$ 11,155,297	\$ 10,749,078	\$ 11,224,038	\$ 10,839,850	\$ 10,503,399	\$ 10,012,583	\$ 15,109,831	\$ 14,665,508	\$ 14,556,258
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,718,806	6,599,659	8,451,835	9,841,325	10,892,361	10,074,792	11,246,388	8,267,400	8,402,921	9,695,587
<b>Total business-type activities net assets</b>	<b>\$ 16,011,193</b>	<b>\$ 17,754,956</b>	<b>\$ 19,200,913</b>	<b>\$ 21,065,363</b>	<b>\$ 21,732,211</b>	<b>\$ 20,578,191</b>	<b>\$ 21,258,971</b>	<b>\$ 23,377,231</b>	<b>\$ 23,068,429</b>	<b>\$ 24,251,845</b>
<b>Primary Government:</b>										
Investment in capital assets, net of related debt	\$ 50,792,523	\$ 49,577,575	\$ 48,566,138	\$ 47,839,479	\$ 45,854,760	\$ 44,300,782	\$ 43,293,064	\$ 46,092,867	\$ 44,274,010	\$ 43,081,995
Restricted	2,713,713	6,353,608	7,204,350	7,627,082	8,156,518	9,857,681	9,228,313	10,235,224	9,840,230	10,910,942
Unrestricted	8,816,391	8,954,052	10,399,074	10,932,715	11,604,592	10,728,274	11,699,429	8,905,960	166,463	1,551,065
<b>Total primary government net assets</b>	<b>\$ 62,322,627</b>	<b>\$ 64,885,235</b>	<b>\$ 66,169,562</b>	<b>\$ 66,399,276</b>	<b>\$ 65,615,870</b>	<b>\$ 64,886,737</b>	<b>\$ 64,220,806</b>	<b>\$ 65,234,051</b>	<b>\$ 54,280,703</b>	<b>\$ 55,544,002</b>

\* The City restated the restricted and unrestricted net assets to reflect the implementation of GASB 68, which requires the net pension liability to be reported in the Statement of Net Position.

\*\* The City reclassified restricted and unrestricted governmental net assets to conform with prior and current year classifications.

Source: City of Red Bluff Financial Reports



# City of Red Bluff

## CHANGES IN NET POSITION

Last Ten Fiscal Years (Accrual Basis of Accounting)

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Expenses:</b>										
Governmental activities:										
General government										
City administration	\$ 411,465	\$ 399,327	\$ 428,104	\$ 458,924	\$ 380,284	\$ 387,444	\$ 367,942	\$ 398,463	\$ 356,920	\$ 393,618
Finance	402,796	465,357	462,818	446,742	434,417	423,246	376,869	400,727	407,240	455,859
Community promotion and economic development	148,516	152,541	154,260	132,541	109,490	112,101	88,570	107,225	102,792	99,330
Human resources	192,548	214,185	196,651	195,398	176,027	182,810	171,011	119,776	114,370	139,099
Engineering and administration	324,632	346,258	328,696	367,083	226,142	202,983	234,566	132,156	121,491	92,074
Government buildings	152,637	147,942	158,797	132,983	132,928	123,508	133,317	107,852	147,159	148,608
General government	53,746	66,691	96,731	163,055	182,391	163,765	181,628	191,725	171,826	297,374
Public safety:										
Fire	1,889,554	1,947,846	2,104,897	2,104,130	1,852,232	1,729,515	1,745,768	1,847,624	1,779,441	1,948,383
Police	3,902,113	4,116,418	4,200,406	4,223,961	3,947,641	3,627,431	3,895,358	4,180,695	4,430,643	4,847,057
Parks and recreation	590,222	649,171	630,366	600,549	533,155	474,044	436,223	423,235	429,042	221,909
Transportation and streets	2,455,092	2,420,312	2,180,328	2,198,789	2,016,520	2,030,618	2,031,628	2,000,901	2,197,832	2,386,819
Senior nutrition program	267,399	311,448	309,193	312,929	293,341	293,014	299,842	251,390	-	-
Grants & program income	71,501	266,518	356,650	147,136	258,987	98,606	55,359	74,919	185,102	305,553
<b>Total governmental activities expenses</b>	<b>10,862,221</b>	<b>11,504,014</b>	<b>11,607,897</b>	<b>11,484,220</b>	<b>10,543,555</b>	<b>9,849,085</b>	<b>10,018,081</b>	<b>10,236,688</b>	<b>10,443,858</b>	<b>11,335,683</b>
Business-type activities:										
Community development	615,702	597,988	605,927	481,906	392,331	358,918	383,690	359,033	332,345	280,094
Waste water	1,548,215	1,552,906	1,554,383	1,547,524	1,556,988	1,546,492	1,684,254	1,691,332	1,807,789	2,148,694
Water	1,042,868	1,167,132	1,374,550	1,294,398	1,310,841	1,306,676	1,343,581	1,223,665	1,310,922	1,354,882
Airport	87,768	259,187	83,113	180,926	166,101	322,376	224,963	182,889	204,006	181,269
Community center	259,565	261,664	261,748	257,441	250,015	251,027	252,374	247,415	259,764	295,266
<b>Total business-type activities expenses</b>	<b>3,554,118</b>	<b>3,838,877</b>	<b>3,879,721</b>	<b>3,762,195</b>	<b>3,676,276</b>	<b>3,785,489</b>	<b>3,888,862</b>	<b>3,704,334</b>	<b>3,914,826</b>	<b>4,260,205</b>
<b>Total primary government expenses</b>	<b>14,416,339</b>	<b>15,342,891</b>	<b>15,487,618</b>	<b>15,246,415</b>	<b>14,219,831</b>	<b>13,634,574</b>	<b>13,906,943</b>	<b>13,941,022</b>	<b>14,358,684</b>	<b>15,595,888</b>

# City of Red Bluff

## CHANGES IN NET POSITION

Last Ten Fiscal Years (Accrual Basis of Accounting)

(Continued)

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
General government	362,472	326,853	411,904	375,388	333,813	322,662	321,851	374,250	380,997	390,026
Public safety										
Fire	2,023	6,991	17,835	18,058	13,100	11,234	5,397	13,391	6,528	41,494
Police	136,961	131,760	121,253	136,070	102,519	81,542	83,719	82,080	91,386	81,411
Parks & recreation	53,371	62,330	69,336	84,395	85,332	70,191	73,434	61,678	62,068	54,493
Transportation & streets	709	10,347	-	-	-	-	-	-	-	-
Grants & program income	-	-	52,451	47,069	7,065	46,017	3,370	15,359	8,507	4,895
Operating grants and contributions	1,341,656	2,394,901	1,517,319	1,439,100	1,248,148	822,403	848,830	1,079,441	749,627	902,343
Capital grants and contributions	458,356	277,607	1,230,470	382,270	292,130	152,536	204,997	400,427	32,149	191,479
<b>Total governmental activities program revenues</b>	<b>2,355,548</b>	<b>3,210,789</b>	<b>3,420,568</b>	<b>2,482,350</b>	<b>2,082,107</b>	<b>1,506,585</b>	<b>1,541,598</b>	<b>2,026,626</b>	<b>1,331,262</b>	<b>1,666,141</b>
Business-type activities:										
Charges for services:										
Community development	579,909	601,916	415,479	329,009	311,218	279,902	250,870	369,002	471,603	536,699
Waste water	2,376,541	2,463,689	2,126,320	2,194,460	2,109,942	2,102,029	2,216,395	2,893,933	2,917,443	2,915,534
Water	1,694,902	2,121,458	2,098,967	2,160,972	1,960,408	1,985,521	2,087,017	2,312,459	2,315,557	2,137,292
Airport	115,039	131,179	123,699	71,971	96,501	116,005	122,929	120,826	128,133	130,101
Community center	91,986	109,509	92,871	71,202	78,453	84,918	75,750	82,482	104,768	124,712
Operating grants and contributions	87,495	85,530	75,938	91,288	77,914	80,971	85,940	67,586	77,175	83,318
Capital grants and contributions	10,488	98,895	493,772	903,638	5,598	191,012	78,033	12,920	10,128	36,348
<b>Total business-type activities program revenues</b>	<b>4,956,360</b>	<b>5,612,176</b>	<b>5,427,046</b>	<b>5,822,540</b>	<b>4,640,034</b>	<b>4,840,358</b>	<b>4,916,934</b>	<b>5,859,208</b>	<b>6,024,807</b>	<b>5,964,004</b>
<b>Total primary government program revenues</b>	<b>7,311,908</b>	<b>8,822,965</b>	<b>8,847,614</b>	<b>8,304,890</b>	<b>6,722,141</b>	<b>6,346,943</b>	<b>6,458,532</b>	<b>7,885,834</b>	<b>7,356,069</b>	<b>7,630,145</b>
<b>Net (expense)/revenue:</b>										
Governmental activities	(8,506,673)	(8,293,225)	(8,187,329)	(9,001,870)	(8,461,448)	(8,342,500)	(8,476,483)	(8,210,062)	(9,112,596)	(9,669,542)
Business-type activities	1,402,242	1,773,299	1,547,325	2,060,345	963,758	1,054,869	1,028,072	2,154,874	2,109,981	1,703,799
<b>Total primary government net expense</b>	<b>(7,104,431)</b>	<b>(6,519,926)</b>	<b>(6,640,004)</b>	<b>(6,941,525)</b>	<b>(7,497,690)</b>	<b>(7,287,631)</b>	<b>(7,448,411)</b>	<b>(6,055,188)</b>	<b>(7,002,615)</b>	<b>(7,965,743)</b>

# City of Red Bluff

## CHANGES IN NET POSITION

Last Ten Fiscal Years (Accrual Basis of Accounting)

(Continued)

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>General Revenues and Other Changes in Net Assets:</b>										
Governmental activities:										
Taxes:										
Sales taxes	3,317,871	3,327,724	3,242,968	2,703,311	2,328,891	2,460,266	2,627,222	2,795,660	2,972,009	3,386,116
Property taxes	1,206,315	1,618,120	1,549,826	1,544,955	1,462,204	1,354,960	1,324,799	1,273,648	1,330,013	1,396,361
Motel taxes	561,853	596,894	619,603	562,008	555,234	596,603	594,254	711,274	720,122	835,533
Special gas taxes	256,120	255,710	251,076	232,617	231,350	334,068	404,286	338,911	478,119	364,333
Franchise taxes	235,442	242,891	220,185	246,214	223,635	287,059	291,559	303,909	306,342	324,229
Other taxes	298,404	258,315	238,661	268,152	232,246	173,406	263,808	203,453	219,093	221,998
Motor vehicle license fees	1,265,300	1,157,377	1,069,650	1,101,409	1,037,000	1,114,162	1,030,288	959,291	979,512	992,407
Impact fees	346,710	824,269	125,659	181,331	123,586	47,108	154	230,787	8,551	1,454,334
Investment earnings	220,158	291,906	289,640	186,576	150,343	107,097	140,233	133,603	130,680	145,522
Gain/loss on sale of asset	-	8,736	-	(68,543)	8,766	-	-	-	1,200	30,560
Transfers	386,386	530,128	418,431	409,104	430,658	457,303	453,169	154,511	541,691	598,032
<b>Total governmental activities</b>	<b>8,094,559</b>	<b>9,112,070</b>	<b>8,025,699</b>	<b>7,367,134</b>	<b>6,783,913</b>	<b>6,932,032</b>	<b>7,129,772</b>	<b>7,105,047</b>	<b>7,687,332</b>	<b>9,749,425</b>
Business-type activities:										
Taxes	36,903	39,408	53,241	56,410	63,666	41,544	57,190	56,428	67,617	-
Investment earnings	141,127	304,618	263,822	156,799	70,082	42,225	48,687	61,469	62,019	77,649
Gain on sale of assets	-	156,566	-	-	-	-	-	-	-	-
Transfers	(386,386)	(530,128)	(418,431)	(409,104)	(430,658)	(457,303)	(453,169)	(154,511)	(541,691)	(598,032)
<b>Total business-type activities</b>	<b>(208,356)</b>	<b>(29,536)</b>	<b>(101,368)</b>	<b>(195,895)</b>	<b>(296,910)</b>	<b>(373,534)</b>	<b>(347,292)</b>	<b>(36,614)</b>	<b>(412,055)</b>	<b>(520,383)</b>
<b>Total primary government</b>	<b>7,886,203</b>	<b>9,082,534</b>	<b>7,924,331</b>	<b>7,171,239</b>	<b>6,487,003</b>	<b>6,558,498</b>	<b>6,782,480</b>	<b>7,068,433</b>	<b>7,275,277</b>	<b>9,229,042</b>
<b>Change in Net Position:</b>										
Governmental activities	(412,114)	818,845	(161,630)	(1,634,736)	(1,677,535)	(1,410,468)	(1,346,711)	(1,105,015)	(1,425,264)	79,883
Business-type activities	1,193,886	1,743,763	1,445,957	1,864,450	666,848	681,335	680,780	2,118,260	1,697,926	1,183,416
<b>Total primary government</b>	<b>\$ 781,772</b>	<b>\$ 2,562,608</b>	<b>\$ 1,284,327</b>	<b>\$ 229,714</b>	<b>\$ (1,010,687)</b>	<b>\$ (729,133)</b>	<b>\$ (665,931)</b>	<b>\$ 1,013,245</b>	<b>\$ 272,662</b>	<b>\$ 1,263,299</b>

Source: City of Red Bluff Financial Reports

# City of Red Bluff

## FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>General Fund:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,565,245	1,903,427	1,531,055	850,825	193,990	-	-	-	-	-
Nonspendable	-	-	-	-	-	1,869	-	9,057	539	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	400,000	400,000	700,000	850,000	1,400,000
Unassigned	-	-	-	-	-	25,567	72,905	30,102	42,950	32,922
<b>Total general fund</b>	<b>\$ 1,565,245</b>	<b>\$ 1,903,427</b>	<b>\$ 1,531,055</b>	<b>\$ 850,825</b>	<b>\$ 193,990</b>	<b>\$ 427,436</b>	<b>\$ 472,905</b>	<b>\$ 739,159</b>	<b>\$ 893,489</b>	<b>\$ 1,432,922</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 2,628,621	\$ 3,660,055	\$ 3,974,293	\$ 3,801,442	\$ 4,078,818	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	3,177,205	3,825,807	4,439,295	5,023,977	5,253,878	-	-	-	-	-
Nonspendable	-	-	-	-	-	4,247,118	4,228,612	4,149,977	3,997,340	3,883,959
Restricted*	-	-	-	-	-	5,598,405	5,750,396	5,845,403	5,564,343	6,915,989
Committed*	-	-	-	-	-	1,131,410	1,131,410	1,086,144	1,321,899	1,057,287
Assigned	-	-	-	-	-	12,298	27,043	60,250	90,890	132,782
Unassigned	-	-	-	-	-	(30,563)	(71,464)	(69,626)	(70,650)	(55,343)
<b>Total all other governmental funds</b>	<b>\$ 5,805,826</b>	<b>\$ 7,485,862</b>	<b>\$ 8,413,588</b>	<b>\$ 8,825,419</b>	<b>\$ 9,332,696</b>	<b>\$ 10,958,668</b>	<b>\$ 11,065,997</b>	<b>\$ 11,072,148</b>	<b>\$ 10,903,822</b>	<b>\$ 11,934,674</b>
<b>Total Governmental Funds:</b>										
Reserved	\$ 2,628,621	\$ 3,660,055	\$ 3,974,293	\$ 3,801,442	\$ 4,078,818	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,742,450	5,729,234	5,970,350	5,874,802	5,447,868	-	-	-	-	-
Nonspendable	-	-	-	-	-	4,248,987	4,228,612	4,159,034	3,997,879	3,883,959
Restricted	-	-	-	-	-	5,598,405	5,750,396	5,845,403	5,564,343	6,915,989
Committed	-	-	-	-	-	1,131,410	1,131,410	1,086,144	1,321,899	1,057,287
Assigned	-	-	-	-	-	412,298	427,043	760,250	940,890	1,532,782
Unassigned	-	-	-	-	-	(4,996)	1,441	(39,524)	(27,700)	(22,421)
<b>Total all other governmental funds</b>	<b>\$ 7,371,071</b>	<b>\$ 9,389,289</b>	<b>\$ 9,944,643</b>	<b>\$ 9,676,244</b>	<b>\$ 9,526,686</b>	<b>\$ 11,386,104</b>	<b>\$ 11,538,902</b>	<b>\$ 11,811,307</b>	<b>\$ 11,797,311</b>	<b>\$ 13,367,596</b>

\*FY 2011 reclassified to conform to prior and current year classifications.

Source: City of Red Bluff Financial Reports

# City of Red Bluff

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>Revenues:</b>										
Sales tax	\$ 3,200,453	\$ 3,475,772	\$ 3,287,677	\$ 2,757,611	\$ 2,199,252	\$ 2,460,266	\$ 2,627,222	\$ 2,795,660	\$ 2,972,009	\$ 3,386,116
Property tax	1,206,315	1,618,120	1,549,826	1,544,955	1,462,204	1,354,960	1,324,799	1,273,648	1,330,013	1,396,361
Motel tax	561,853	596,894	619,603	562,008	555,234	596,603	594,254	711,274	720,122	835,533
Franchise tax	235,442	242,891	220,185	246,214	223,635	287,059	291,559	303,909	306,342	324,229
Other taxes	254,804	258,315	238,661	215,809	218,954	159,480	248,779	187,840	195,985	204,512
Licenses and permits	292,717	305,622	313,101	301,238	290,205	299,058	296,088	359,517	361,808	390,072
Fines, forfeitures, and penalties	113,466	109,790	99,851	112,941	78,686	55,930	55,354	48,549	59,028	48,277
Use of money and property	166,384	236,514	209,235	119,453	42,942	31,237	26,137	41,968	35,111	43,235
Intergovernmental revenue	3,248,078	3,904,540	3,958,337	3,045,121	2,687,922	2,250,249	2,290,720	2,629,884	2,172,264	2,334,436
Charges for current services	92,677	73,004	94,752	113,035	105,746	92,273	89,616	86,966	87,478	100,901
Other revenues	520,340	1,008,925	400,912	477,715	333,542	318,339	259,577	446,312	154,424	1,651,574
<b>Total revenues</b>	<b>9,892,529</b>	<b>11,830,387</b>	<b>10,992,140</b>	<b>9,496,100</b>	<b>8,198,322</b>	<b>7,905,454</b>	<b>8,104,105</b>	<b>8,885,527</b>	<b>8,394,584</b>	<b>10,715,246</b>
<b>Expenditures:</b>										
Current:										
General government	1,668,630	1,757,118	1,769,377	1,732,432	1,479,716	1,445,089	1,456,587	1,303,999	1,261,014	1,325,612
Fire public safety	1,705,724	1,794,137	1,975,534	1,940,701	1,695,134	1,472,877	1,587,931	1,883,035	1,670,002	1,804,086
Police public safety	3,751,501	4,037,899	4,098,261	4,036,688	3,885,703	3,440,872	3,708,039	5,593,288	4,000,627	4,203,081
Parks and recreation	499,057	569,123	599,271	492,893	433,124	382,394	354,834	304,834	325,701	330,534
Transportation and streets	1,134,717	1,092,036	955,859	862,465	723,868	567,078	653,311	679,055	851,368	928,607
Senior Nutrition program	259,459	305,075	302,042	308,281	289,701	286,465	294,267	292,339	-	-
Grants and program income	72,342	208,968	113,504	151,431	164,033	95,320	36,979	74,917	176,802	133,166
Capital outlay	970,743	537,164	1,000,592	607,936	293,764	607,822	271,559	438,909	345,076	640,530
Debt Service:										
Principal	30,429	31,729	33,084	34,496	35,969	37,505	39,107	60,000	248,000	307,904
Interest	10,347	9,048	7,693	6,280	4,807	3,272	1,862	25,702	71,681	69,473
Debt issuance costs	-	-	-	-	-	-	-	59,555	-	-
<b>Total expenditures</b>	<b>10,102,949</b>	<b>10,342,297</b>	<b>10,855,217</b>	<b>10,173,603</b>	<b>9,005,819</b>	<b>8,338,694</b>	<b>8,404,476</b>	<b>10,715,633</b>	<b>8,950,271</b>	<b>9,742,993</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(210,420)</b>	<b>1,488,090</b>	<b>136,923</b>	<b>(677,503)</b>	<b>(807,497)</b>	<b>(433,240)</b>	<b>(300,371)</b>	<b>(1,830,106)</b>	<b>(555,687)</b>	<b>972,253</b>
<b>Other financing sources (uses):</b>										
Operating transfers in *	7,053,400	6,967,476	7,643,054	7,039,636	7,611,562	1,885,560	1,477,078	1,493,342	1,640,816	961,858
Operating transfers out *	(6,667,014)	(6,437,348)	(7,224,623)	(6,630,532)	(7,180,904)	(1,428,257)	(1,023,909)	(1,338,831)	(1,099,125)	(363,826)
Capital lease	242,319	-	-	-	-	-	-	-	-	-
Debt proceeds **	-	-	-	-	-	-	-	1,948,000	-	-
<b>Total other financing sources (uses)</b>	<b>628,705</b>	<b>530,128</b>	<b>418,431</b>	<b>409,104</b>	<b>430,658</b>	<b>457,303</b>	<b>453,169</b>	<b>2,102,511</b>	<b>541,691</b>	<b>598,032</b>
<b>Total prior period adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227,281</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 418,285</b>	<b>\$ 2,018,218</b>	<b>\$ 555,354</b>	<b>\$ (268,399)</b>	<b>\$ (149,558)</b>	<b>\$ 24,063</b>	<b>\$ 152,798</b>	<b>\$ 272,405</b>	<b>\$ (13,996)</b>	<b>\$ 1,570,285</b>
Debt service as a percentage of non capital expenditures	0.45%	0.42%	0.42%	0.43%	0.47%	0.53%	0.51%	0.85%	3.86%	4.33%

\*The City removed interfund transfers in fiscal year 2011.

\*\*The City used the 2013 debt proceeds to pay off CalPERS Side Fund expense of \$170,213 for Fire Public Safety and \$1,718,232 for Police Public Safety which is included in expenditures above.

Source: City of Red Bluff Financial Reports

## City of Red Bluff

### GENERAL FUND BALANCE COMPARED TO ANNUAL APPROPRIATIONS Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Fund Balance</u>	<u>Annual Appropriations</u>	<u>Balance as % of Appropriations</u>
2005-2006	\$ 1,565,245	\$ 8,083,459	19.4%
2006-2007	\$ 1,903,427	\$ 8,241,222	23.1%
2007-2008	\$ 1,531,427	\$ 8,429,084	18.2%
2008-2009	\$ 850,825	\$ 7,908,807	10.8%
2009-2010	\$ 193,990	\$ 7,369,321	2.6%
2010-2011	\$ 427,436	\$ 6,697,526	6.4%
2011-2012	\$ 472,905	\$ 7,180,971	6.6%
2012-2013	\$ 739,159	\$ 7,403,914	10.0%
2013-2014	\$ 893,489	\$ 7,970,359	11.2%
2014-2015	\$ 1,432,922	\$ 8,168,133	17.5%

Source: City of Red Bluff Financial Report

## City of Red Bluff

### GENERAL FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Fines, Forfeitures, and Penalties	Use of Money and Property	Intergovernmental Revenues	Charges for Current Services	Other Revenues	Total
2005-2006	\$ 5,283,337	\$ 292,717	\$ 51,317	\$ 84,533	\$ 1,644,456	\$ 92,677	\$ 167,982	\$ 7,617,019
2006-2007	\$ 6,000,311	\$ 305,622	\$ 39,866	\$ 104,889	\$ 1,494,204	\$ 73,004	\$ 169,987	\$ 8,187,883
2007-2008	\$ 5,722,746	\$ 313,101	\$ 25,801	\$ 115,736	\$ 1,435,110	\$ 94,752	\$ 217,674	\$ 7,924,920
2008-2009	\$ 5,145,312	\$ 301,238	\$ 26,372	\$ 51,828	\$ 1,510,799	\$ 113,035	\$ 186,421	\$ 7,335,005
2009-2010	\$ 4,477,604	\$ 290,205	\$ 27,004	\$ 14,323	\$ 1,394,122	\$ 105,746	\$ 188,875	\$ 6,497,879
2010-2011	\$ 4,733,518	\$ 299,058	\$ 18,269	\$ 8,410	\$ 1,382,415	\$ 92,273	\$ 211,054	\$ 6,744,997
2011-2012	\$ 4,873,079	\$ 296,088	\$ 14,875	\$ 1,654	\$ 1,426,480	\$ 89,616	\$ 221,003	\$ 6,922,795
2012-2013	\$ 5,127,344	\$ 359,517	\$ 20,983	\$ 1,178	\$ 1,363,113	\$ 86,966	\$ 184,553	\$ 7,143,654
2013-2014	\$ 5,364,067	\$ 361,808	\$ 23,851	\$ 870	\$ 1,308,564	\$ 87,478	\$ 122,554	\$ 7,269,192
2014-2015	\$ 5,985,702	\$ 390,072	\$ 18,160	\$ 1,027	\$ 1,354,833	\$ 100,901	\$ 152,223	\$ 8,002,918

Note:

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

Source: City of Red Bluff Financial Report

## City of Red Bluff

### GENERAL FUND TAX REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Sales and Use Tax	General Property Tax	Transient Occupancy Tax	Franchise Tax	Other Taxes		Licenses and Permits	
					Property Transfer Tax	Downtown Business Improvement	Business License	Other Licenses/ Permits
2005-2006	\$ 3,200,453	\$ 1,206,315	\$ 561,853	\$ 235,442	\$ 54,853	\$ 24,421	\$ 280,985	\$ 11,732
2006-2007	\$ 3,475,772	\$ 1,618,120	\$ 596,894	\$ 242,891	\$ 45,197	\$ 21,437	\$ 295,256	\$ 10,366
2007-2008	\$ 3,287,677	\$ 1,549,826	\$ 619,603	\$ 220,185	\$ 24,075	\$ 21,380	\$ 302,809	\$ 10,292
2008-2009	\$ 2,757,611	\$ 1,544,955	\$ 562,008	\$ 246,214	\$ 15,733	\$ 18,791	\$ 289,926	\$ 11,312
2009-2010	\$ 2,199,252	\$ 1,462,204	\$ 555,234	\$ 223,635	\$ 16,450	\$ 20,829	\$ 278,091	\$ 12,114
2010-2011	\$ 2,460,266	\$ 1,354,960	\$ 596,603	\$ 287,059	\$ 15,168	\$ 19,462	\$ 286,452	\$ 12,606
2011-2012	\$ 2,627,222	\$ 1,324,799	\$ 594,254	\$ 291,559	\$ 15,837	\$ 19,408	\$ 280,486	\$ 15,602
2012-2013	\$ 2,795,660	\$ 1,273,648	\$ 711,274	\$ 303,909	\$ 23,030	\$ 19,823	\$ 343,580	\$ 15,937
2013-2014	\$ 2,972,009	\$ 1,330,013	\$ 720,122	\$ 306,342	\$ 17,110	\$ 18,471	\$ 346,594	\$ 15,214
2014-2015	\$ 3,386,116	\$ 1,396,361	\$ 835,533	\$ 324,229	\$ 22,951	\$ 20,512	\$ 373,700	\$ 16,372

**Note:**

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

Source: City of Red Bluff Financial Report



## City of Red Bluff

### GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION

#### Last Ten Fiscal Years

Fiscal Year	General Government	Fire Public Safety	Police Public Safety	Parks and Recreation	Transportation and Streets	Senior Nutrition Program	Grants and Program Income	Capital Outlay	Debt Service	Total
2005-2006	\$ 1,668,630	\$ 1,705,724	\$ 3,751,501	\$ 499,057	\$ 1,134,717	\$ 259,459	\$ 72,342	\$ 970,743	\$ 40,776	\$ 10,102,949
2006-2007	\$ 1,757,118	\$ 1,794,137	\$ 4,037,899	\$ 569,123	\$ 1,092,036	\$ 305,075	\$ 208,968	\$ 537,164	\$ 40,777	\$ 10,342,297
2007-2008	\$ 1,769,377	\$ 1,975,534	\$ 4,098,261	\$ 599,271	\$ 955,859	\$ 302,042	\$ 113,504	\$ 1,000,592	\$ 40,777	\$ 10,855,217
2008-2009	\$ 1,732,432	\$ 1,940,701	\$ 4,036,688	\$ 492,893	\$ 862,465	\$ 308,281	\$ 151,431	\$ 607,936	\$ 40,776	\$ 10,173,603
2009-2010	\$ 1,479,716	\$ 1,695,134	\$ 3,885,703	\$ 433,124	\$ 723,868	\$ 289,701	\$ 164,033	\$ 293,764	\$ 40,776	\$ 9,005,819
2010-2011	\$ 1,445,089	\$ 1,472,877	\$ 3,440,872	\$ 382,394	\$ 567,078	\$ 286,465	\$ 95,320	\$ 607,822	\$ 40,777	\$ 8,338,694
2011-2012	\$ 1,456,587	\$ 1,587,931	\$ 3,708,039	\$ 354,834	\$ 653,311	\$ 294,267	\$ 36,979	\$ 271,559	\$ 40,969	\$ 8,404,476
2012-2013	\$ 1,303,999	\$ 1,713,035	\$ 3,875,288	\$ 304,834	\$ 679,055	\$ 292,339	\$ 74,917	\$ 438,909	\$ 145,257	\$ 8,827,633
CalPERS Side Refunding	\$ -	\$ 170,000	\$ 1,718,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,888,000
Total 2012-2013	\$ 1,303,999	\$ 1,883,035 (1)	\$ 5,593,288 (2)	\$ 304,834	\$ 679,055	\$ 292,339	\$ 74,917	\$ 438,909	\$ 145,257	\$ 10,715,633
2013-2014	\$ 1,261,014	\$ 1,670,002	\$ 4,000,627	\$ 325,701	\$ 860,727	\$ -	\$ 185,102	\$ 471,421	\$ 364,518	\$ 9,139,112
2014-2015	\$ 1,325,612	\$ 1,804,086	\$ 4,203,081	\$ 330,534	\$ 928,607	\$ -	\$ 133,166	\$ 640,530	\$ 377,377	\$ 9,742,993

The schedule above includes only those expenditures recorded in the general fund, special revenue, debt service, and capital projects funds.

(1) Amount includes a one time expense of \$170,000 of CalPERS Side Refunding which inflates this amount beyond normal operating costs.

(2) Amount include a one time expense of \$1,718,000 of CalPERS Side Refunding which inflates this amount beyond normal operating costs.

Source: City of Red Bluff Financial Report

## City of Red Bluff

### PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Fiscal Year	City of Red Bluff Rates			Overlapping Rates			Total Direct and Overlapping Rates (4)
	Basic Countywide Levy (1)	City's Share of Basic Levy (2)	Total Direct Tax Rate (3)	Corning Elementary	Evergreen Elementary	Shasta Community College	
2005-2006	1.0000%	0.22879%	0.22830%	0.0085%	0.0116%	0.0118%	1.0319%
2006-2007	1.0000%	0.22879%	0.22820%	0.0085%	0.0116%	0.0118%	1.0319%
2007-2008	1.0000%	0.22879%	0.16440%	0.0085%	0.0116%	0.0118%	1.0319%
2008-2009	1.0000%	0.22879%	0.17000%	0.0000%	0.0000%	0.0091%	1.0091%
2009-2010	1.0000%	0.22879%	0.17010%	0.0000%	0.0000%	0.0101%	1.0101%
2010-2011	1.0000%	0.22879%	0.16800%	0.0000%	0.0000%	0.0095%	1.0095%
2011-2012	1.0000%	0.22879%	0.16790%	0.0000%	0.0000%	0.0162%	1.0162%
2012-2013	1.0000%	0.22879%	0.17790%	0.0000%	0.0000%	0.0054%	1.0054%
2013-2014	1.0000%	0.22879%	0.17810%	0.0000%	0.0000%	0.0088%	1.0088%
2014-2015	1.0000%	0.22879%	0.17527%	0.0000%	0.0000%	0.0107%	1.0107%

(1) 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.

(2) City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

(3) Because basic and debt rates vary by tax rate area, individual rates cannot be summed. The total direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

(4) Because basic and debt rates vary by tax rate area, individual rates cannot be summed. The total direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Source: Tehama County Auditor/Controller's Office

## City of Red Bluff

### ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years

Fiscal Year	Secured Roll Assessed Value	Unsecured Roll Assessed Value	Nonunitary Assessed Value	Total Net Assessed Value	Percent Change
2005-2006	\$ 611,406,579	\$ 47,912,661	\$ 1,941,933	\$ 661,261,173	15.69%
2006-2007	\$ 724,558,857	\$ 52,575,180	\$ 1,863,721	\$ 778,997,758	17.80%
2007-2008	\$ 777,788,781	\$ 56,209,385	\$ 1,617,685	\$ 835,615,851	7.27%
2008-2009	\$ 821,901,789	\$ 59,977,180	\$ 1,617,685	\$ 883,496,654	5.73%
2009-2010	\$ 784,132,064	\$ 64,121,500	\$ 1,617,685	\$ 849,871,249	-3.81%
2010-2011	\$ 733,031,690	\$ 56,582,319	\$ 1,564,842	\$ 791,178,851	-6.91%
2011-2012	\$ 716,360,214	\$ 55,839,454	\$ 1,564,942	\$ 773,764,610	-2.20%
2012-2013	\$ 679,645,266	\$ 57,748,827	\$ 1,564,942	\$ 738,959,035	-4.50%
2013-2014	\$ 696,620,089	\$ 58,382,220	\$ 1,564,942	\$ 756,567,251	2.38%
2014-2015	\$ 704,067,230	\$ 59,432,383	\$ 1,318,125	\$ 764,817,738	1.09%

Note:

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 valuation may be increased by an "inflation factor" (limited to a maximum increase of 2%). Usually property is only reassessed at the time that it is sold to a new owner. Proposition 8 allows for reassessment when market conditions change. This reassessment resulted in decreased assessed values in recent years. The assess value shown above represents only currently available data with respect to the actual market value of taxable property.

Source: Tehama County Assessor's Annual Reports

## City of Red Bluff

### PRINCIPAL SECURED PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Walmart Realty Company	\$ 10,757,984	1	1.41%	\$ 9,320,480	2	1.41%
Kumar Pawan	10,402,069	2	1.36%	-	n/a	0.00%
Helibro LLC	9,256,628	3	1.21%	-	n/a	0.00%
Home Depot	8,744,816	4	1.14%	11,103,382	1	1.68%
Marshall Belle Mill LLC ETAL	7,800,000	5	1.02%	-	n/a	0.00%
P J Helicopters	7,706,283	6	1.01%	-	n/a	0.00%
Red Bluff Hotel LLC	7,110,401	7	0.93%	-	n/a	0.00%
Raleys	6,788,248	8	0.89%	5,545,114	6	0.84%
Tehama Medical Arts LLC	6,130,164	9	0.80%	4,850,437	8	0.73%
Assisted Living Facilities	5,890,119	10	0.77%	5,161,200	7	0.78%
Passco Belle Mill LLC ETAL	-	n/a	0.00%	8,527,154	3	1.29%
Cabernet Apartments	-	n/a	0.00%	7,752,000	4	1.17%
Price Family LLC	-	n/a	0.00%	5,948,279	5	0.90%
Shasta Enterprises	-	n/a	0.00%	4,668,717	9	0.71%
Gurdev Singh & Surat S. Deol	-	n/a	0.00%	4,060,000	10	0.61%
Sum of Ten Largest Property Valuation	80,586,712		10.54%	66,936,763		10.12%
Other Taxpayers	684,231,026		89.46%	594,324,410		89.88%
Total Property Valuations - Net of Exemptions	<u>\$ 764,817,738</u>		<u>100.00%</u>	<u>\$ 661,261,173</u>		<u>100.00%</u>

Source: Tehama County Auditor/Controller's Office & HdL's "2005/06 and 2014/15 Top Property Taxpayers-Secured."

## City of Red Bluff

### BASIC PROPERTY VALUE TABLE SUMMARIZED BY USE

As of June 30, 2015

Category	Parcels	Assessed Value		Net Taxable Value	
Residential	3,991	\$ 471,349,480	54.5%	\$ 425,652,465	55.7%
Commercial	404	\$ 234,123,545	27.1%	\$ 199,323,043	26.1%
Industrial	72	\$ 24,710,396	2.9%	\$ 24,710,396	3.2%
Dry Farm	533	\$ 24,790,761	2.9%	\$ 24,258,735	3.2%
Govt. Owned	1	\$ 181,701	0.0%	\$ 181,701	0.0%
Institutional	129	\$ 17,216,109	2.0%	\$ 17,216,109	2.3%
Irrigated	12	\$ 5,763,752	0.7%	\$ 5,310,943	0.7%
Miscellaneous	119	\$ 544,582	0.1%	\$ 504,192	0.1%
Recreational	42	\$ 17,555,677	2.0%	\$ 1,533,029	0.2%
Vacant	7	\$ 342,107	0.0%	\$ 342,107	0.0%
SBE Nonunitary	[11]	\$ 1,318,125	0.2%	\$ 1,318,125	0.2%
Cross Reference	[187]	\$ 5,034,510	0.6%	\$ 5,034,510	0.7%
Unsecured	[1,010]	\$ 61,223,060	7.0%	\$ 59,432,383	7.6%
<b>TOTALS</b>	<b>5,310</b>	<b>\$ 864,153,805</b>	<b>100.0%</b>	<b>\$ 764,817,738</b>	<b>100.0%</b>

Data Source: Tehama County Assessor 2014/15 Combined Tax Rolls

### Single Family Residential Full Value Sales (01/01/2012 - 05/31/2014)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2013	139	\$ 113,774	\$ 106,500	
2014	160	\$ 138,037	\$ 135,000	26.76%
2015	88	\$ 125,924	\$ 112,500	-16.67%

\* Sales not included in the analysis are quit claim deeds, trust transfers, timeshares, and partial sales.

Data Source: Tehama County Recorder

Data compiled by HdL, Coren & Cone

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## City of Red Bluff

### PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Tax Levy
2005-2006	\$ 1,206,315	\$ 1,206,315	100%	\$ -	\$ 1,206,315	100%
2006-2007	\$ 1,618,120	\$ 1,618,120	100%	\$ -	\$ 1,618,120	100%
2007-2008	\$ 1,549,826	\$ 1,549,826	100%	\$ -	\$ 1,549,826	100%
2008-2009	\$ 1,544,955	\$ 1,544,955	100%	\$ -	\$ 1,544,955	100%
2009-2010	\$ 1,462,204	\$ 1,462,204	100%	\$ -	\$ 1,462,204	100%
2010-2011	\$ 1,354,960	\$ 1,354,960	100%	\$ -	\$ 1,354,960	100%
2011-2012	\$ 1,324,799	\$ 1,324,799	100%	\$ -	\$ 1,324,799	100%
2012-2013	\$ 1,273,648	\$ 1,273,648	100%	\$ -	\$ 1,273,648	100%
2013-2014	\$ 1,330,013	\$ 1,330,013	100%	\$ -	\$ 1,330,013	100%
2014-2015	\$ 1,396,361	\$ 1,396,361	100%	\$ -	\$ 1,396,361	100%

The City participates in the County "Teeter Plan" method of property tax

## City of Red Bluff

### TAXABLE PROPERTY VALUES (ROLL SUMMARY)

As of June 30, 2015

	Secured	Nonunitary Utilities	Unsecured
Parcels	5,310	11	1,010
TRAs	23	1	10
<b>Values</b>			
Land	\$ 202,893,252	\$ 1,318,125	\$ 1,263,387
Improvements	567,001,779	-	3,949,665
Personal property	24,613,942	-	26,429,717
Fixtures	7,103,647	-	10,791,467
Aircraft	-	-	18,788,824
<b>Total Values</b>	<b>801,612,620</b>	<b>1,318,125</b>	<b>42,434,236</b>
<b>Exemptions</b>			
Real estate	80,905,427	-	-
Personal property	15,170,575	-	1,033,254
Fixtures	1,469,388	-	538,527
Aircraft	-	-	218,896
Homeowners*	13,783,300	-	-
<b>Total Exemptions</b>	<b>97,545,390</b>	<b>-</b>	<b>1,571,781</b>
<b>Total Net Values</b>	<b>\$ 704,067,230</b>	<b>\$ 1,318,125</b>	<b>\$ 40,862,455</b>

Combined Values	Total
Total Values	\$ 845,364,981
Total Exemptions	\$ 99,117,171
Net Total Values	\$ 746,247,810
Net Aircraft Values	\$ 18,569,928

\* Note: Homeowner exemptions are not included in total exemptions

Totals do not include aircraft values or aircraft exemptions

Data Source: Tehama County Assessor 2014/15 Combined Tax Rolls

# City of Red Bluff

## ASSESSED VALUE OF TAXABLE PROPERTY

### Last Ten Fiscal Years

Category	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Residential	\$ 371,186,632	\$ 449,067,922	\$ 490,198,005	\$ 520,436,882	\$ 475,343,273	\$ 436,208,869	\$ 437,042,328	\$ 416,542,159	\$ 414,200,942	\$ 425,652,465
Commercial	179,086,922	208,676,690	217,916,877	230,592,015	234,531,799	211,554,681	204,339,800	182,089,869	209,413,795	199,323,043
Industrial	31,135,817	33,616,573	35,224,062	37,926,611	37,576,041	29,194,594	28,010,421	26,039,963	25,409,557	24,710,396
Dry Farm	482,204	491,845	501,679	171,755	174,153	616,204	620,815	333,692	337,974	342,107
Govt. owned	246,840	251,776	256,811	261,947	267,185	461,648	738,764	273,929	616,718	504,192
Institutional	3,110,380	3,909,420	4,946,209	4,506,379	4,595,483	1,614,080	1,565,194	1,459,189	1,512,791	1,533,029
Irrigated	-	-	-	-	-	417,245	173,857	177,334	180,880	181,701
Miscellaneous	451,219	491,266	513,884	607,430	2,097,808	4,692,730	6,140,725	16,046,052	10,199,439	17,216,109
Recreational	7,015,515	7,174,545	7,393,940	7,323,291	7,068,114	5,852,355	5,949,671	5,160,623	5,231,513	5,310,943
Vacant	12,836,668	14,683,862	14,801,950	14,228,893	16,803,612	36,873,772	26,245,929	26,179,149	24,342,469	24,258,735
SBE nonunitary	1,941,933	1,863,721	1,617,685	1,617,685	1,617,685	1,564,842	1,564,942	1,564,942	1,564,942	1,318,125
Cross reference	5,854,382	6,194,958	6,035,364	5,846,586	5,674,596	5,545,512	5,532,710	5,343,307	5,174,011	5,034,510
Unsecured	47,912,661	52,575,180	56,209,385	59,977,180	64,121,500	56,582,319	55,839,454	57,748,827	58,382,220	59,432,383
Totals	\$ 661,261,173	\$ 778,997,758	\$ 835,615,851	\$ 883,496,654	\$ 849,871,249	\$ 791,178,851	\$ 773,764,610	\$ 738,959,035	\$ 756,567,251	\$ 764,817,738
Total Direct Rate	0.22832	0.22819	0.16443	0.17003	0.17009	0.16797	0.16517	0.17516	0.17536	0.17527

#### Notes:

Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the the assessed value of the property being taxed.

Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Data Source: Tehama County Assessor 2005/06 - 2014/15 Combined Tax Rolls via HdL, Coren & Cone

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone



**City of Red Bluff****SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collected</u>
2005-2006	\$ 28,029	\$ 24,421
2006-2007	\$ 26,552	\$ 21,437
2007-2008	\$ 24,979	\$ 21,380
2008-2009	\$ 24,400	\$ 18,791
2009-2010	\$ 25,596	\$ 20,829
2010-2011	\$ 24,542	\$ 19,462
2011-2012	\$ 23,450	\$ 19,408
2012-2013	\$ 23,373	\$ 19,823
2013-2014	\$ 22,671	\$ 18,471
2014-2015	\$ 22,287	\$ 20,512

## City of Red Bluff

### RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Loans	Capital Leases	Revenue Bonds	Loans			
2005-2006	\$ -	\$ -	\$ -	\$ 211,890	\$ 590,000	\$ 7,548,167	\$ 8,350,057	3.85%	610
2006-2007	\$ -	\$ -	\$ -	\$ 180,161	\$ 455,000	\$ 7,292,010	\$ 7,927,171	3.45%	586
2007-2008	\$ -	\$ -	\$ -	\$ 147,077	\$ 455,000	\$ 7,323,805	\$ 7,925,882	3.27%	580
2008-2009	\$ -	\$ -	\$ -	\$ 112,582	\$ 315,000	\$ 7,074,884	\$ 7,502,466	3.05%	545
2009-2010	\$ -	\$ -	\$ -	\$ 76,612	\$ 165,000	\$ 6,819,949	\$ 7,061,561	2.97%	514
2010-2011	\$ -	\$ -	\$ -	\$ 39,107	\$ -	\$ 6,558,872	\$ 6,597,979	2.74%	477
2011-2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,290,522	\$ 6,290,522	2.57%	448
2012-2013	\$ -	\$ -	\$ 1,888,000	\$ -	\$ -	\$ 932,042	\$ 2,820,042	1.12%	199
2013-2014	\$ -	\$ -	\$ 1,640,000	\$ 120,080	\$ -	\$ 805,924	\$ 2,566,004	1.06%	182
2014-2015	\$ -	\$ -	\$ 1,378,000	\$ 72,710	\$ -	\$ 677,532	\$ 2,128,242	0.90%	149

Source:

City of Red Bluff Financial Report

U.S. Census Bureau

State of California, Department of Finance, Demographic Research Unit

Note: Personal income and per capita based on the calendar year information ending during that fiscal year.

Also See Note 4 of Financials

## City of Red Bluff

### RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Debt	Less: Amount Available in Debt Service Fund	Total	Percentage of Assessed Value	Per Capita	City Population	Net Assessed Value
2005-2006	\$ -	\$ -	\$ -	0.00%	\$ -	13,684	\$ 661,261,173
2006-2007	\$ -	\$ -	\$ -	0.00%	\$ -	13,535	\$ 778,997,758
2007-2008	\$ -	\$ -	\$ -	0.00%	\$ -	13,676	\$ 835,615,851
2008-2009	\$ -	\$ -	\$ -	0.00%	\$ -	13,764	\$ 883,496,654
2009-2010	\$ -	\$ -	\$ -	0.00%	\$ -	13,726	\$ 849,871,249
2010-2011	\$ -	\$ -	\$ -	0.00%	\$ -	13,825	\$ 791,178,851
2011-2012	\$ -	\$ -	\$ -	0.00%	\$ -	14,032	\$ 773,764,610
2012-2013	\$ -	\$ -	\$ -	0.00%	\$ -	14,186	\$ 738,959,035
2013-2014	\$ -	\$ -	\$ -	0.00%	\$ -	14,131	\$ 756,567,251
2014-2015	\$ -	\$ -	\$ -	0.00%	\$ -	14,238	\$ 764,817,738

Source: City of Red Bluff Financial Reports

## City of Red Bluff

### RATIO OF ANNUAL DEBT SERVICE FOR BONDED DEBT TO TOTAL GENERAL EXPENDITURES

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Bonded Debt</u>	<u>Total Debt Service</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service to General Expenditures</u>
2005-2006	\$ 590,000	\$ 156,387	\$ 8,102,338	1.93%
2006-2007	\$ 455,000	\$ 172,596	\$ 8,315,883	2.08%
2007-2008	\$ 455,000	\$ 168,845	\$ 8,634,887	1.96%
2008-2009	\$ 315,000	\$ 168,486	\$ 8,333,639	2.02%
2009-2010	\$ 165,000	\$ 171,548	\$ 7,609,869	2.25%
2010-2011	\$ -	\$ -	\$ 6,780,558	0.00%
2011-2012	\$ -	\$ -	\$ 7,122,000	0.00%
2012-2013	\$ -	\$ -	\$ 9,227,060	0.00%
2013-2014	\$ -	\$ -	\$ 7,861,749	0.00%
2014-2015	\$ -	\$ -	\$ 8,081,108	0.00%

Source: City of Red Bluff Financial Reports

## City of Red Bluff

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2015

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>City Share of Debt</u>
Overlapping Debt Repaid with Property Tax: Shasta Community College	<u>\$ 24,730,000</u>	3.93%	<u>\$ 971,889</u>
Sub-Total overlapping debt	24,730,000		971,889
City of Red Bluff direct debt	<u>-</u>		<u>-</u>
Total direct and overlapping debt	<u><u>\$ 24,730,000</u></u>		<u><u>\$ 971,889</u></u>

\* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the city's taxable assessed value and dividing it by the Shasta Community College taxable assessed value.

Source: Tehama County Auditor/Controller's Office

## City of Red Bluff

### LEGAL DEBT MARGIN INFORMATION

#### Last Ten Fiscal Years

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Total Assessed Valuation	\$ 661,261,173	\$ 778,997,758	\$ 835,615,851	\$ 883,496,654	\$ 849,871,249	\$ 791,178,851	\$ 773,764,610	\$ 738,959,035	\$ 756,567,251	\$ 764,817,738
Debt Limit 15% of										
Total Assessed Valuation*	\$ 99,189,176	\$ 116,849,664	\$ 125,342,378	\$ 132,524,498	\$ 127,480,687	\$ 118,676,828	\$ 116,064,692	\$ 110,843,855	\$ 113,485,088	\$ 114,722,661
Debt Applicable to Debt Limit	590,000	455,000	455,000	315,000	165,000	-	-	-	-	-
Legal Debt Margin	\$ 98,599,176	\$ 116,394,664	\$ 124,887,378	\$ 132,209,498	\$ 127,315,687	\$ 118,676,828	\$ 116,064,692	\$ 110,843,855	\$ 113,485,088	\$ 114,722,661
Total Net	0.59%	0.39%	0.36%	0.24%	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%

\* Section 43605 of the California Government Code provides that: "A city shall not incur an indebtedness for public improvements which exceeds in the aggregate 15% of the assessed value of all real and personal property of the city. Within the meaning of this section 'indebtedness' means bonded indebtedness of the city payable from the proceeds of taxes levied upon taxable property in the City."

Source: Tehama County Auditor/Controller's Office and City of Red Bluff Financial Reports

# City of Red Bluff

## PLEDGED REVENUE COVERAGE

### Last Ten Fiscal Years

	CalPERS Refunding Loan					State Revolving Loan Fund and Revenue Bonds								
			Net Revenue						Net Revenue		Revenue			
	Gross	Operating	Available for	Total		Gross	Operating	Available for	SRL Debt	Bonds	Total			
Fiscal Year	Revenue	Expenses	Debt Service	Debt Service	Coverage	Revenue	Expenses	Debt Service	Debt Service	Debt Service	Debt Service	Coverage		
2005-2006	\$ -	\$ -	\$ -	\$ -	-	\$ 2,376,541	\$ 1,419,359	\$ 957,182	\$ 142,923	\$ 156,387	\$ 299,310	3.20		
2006-2007	\$ -	\$ -	\$ -	\$ -	-	\$ 2,463,689	\$ 1,417,162	\$ 1,046,527	\$ 142,923	\$ 172,596	\$ 315,519	3.32		
2007-2008	\$ -	\$ -	\$ -	\$ -	-	\$ 2,126,320	\$ 1,436,792	\$ 689,528	\$ 142,923	\$ 168,845	\$ 311,768	2.21		
2008-2009	\$ -	\$ -	\$ -	\$ -	-	\$ 2,194,460	\$ 1,442,100	\$ 752,360	\$ 142,923	\$ 168,486	\$ 311,409	2.42		
2009-2010	\$ -	\$ -	\$ -	\$ -	-	\$ 2,109,942	\$ 1,452,774	\$ 657,168	\$ 142,923	\$ 171,548	\$ 314,471	2.09		
2010-2011	\$ -	\$ -	\$ -	\$ -	-	\$ 2,102,029	\$ 1,459,385	\$ 642,644	\$ 142,923	\$ -	\$ 142,923	4.50		
2011-2012	\$ -	\$ -	\$ -	\$ -	-	\$ 2,216,395	\$ 1,600,232	\$ 616,163	\$ 142,923	\$ -	\$ 142,923	4.31		
2012-2013*	\$ 9,681,065	\$ 9,414,811	\$ 266,254	\$ 85,746	3.11	\$ 2,893,933	\$ 1,644,415	\$ 1,249,518	\$ 142,923	\$ -	\$ 142,923	8.74		
2013-2014	\$ 7,950,884	\$ 7,796,554	\$ 154,330	\$ 319,214	0.48	\$ 2,917,443	\$ 1,790,688	\$ 1,126,755	\$ 142,923	\$ -	\$ 142,923	7.88		
2014-2015	\$ 8,732,372	\$ 8,192,939	\$ 539,433	\$ 323,405	1.67	\$ 2,915,534	\$ 2,135,496	\$ 780,038	\$ 142,923	\$ -	\$ 142,923	5.46		
	CIEDB Loan													
	Gross	Operating	Net Revenue	Total										
Fiscal Year	Revenue	Expenses	Available for	Debt Service	Coverage									
2005-2006	\$ 1,694,902	\$ 1,031,060	\$ 663,842	\$ 159,165	4.17									
2006-2007	\$ 2,121,458	\$ 998,196	\$ 1,123,262	\$ 266,361	4.22									
2007-2008	\$ 2,098,967	\$ 1,266,772	\$ 832,195	\$ 265,983	3.13									
2008-2009	\$ 2,160,972	\$ 1,160,759	\$ 1,000,213	\$ 265,593	3.77									
2009-2010	\$ 1,960,408	\$ 1,191,997	\$ 768,411	\$ 265,192	2.90									
2010-2011	\$ 1,985,521	\$ 1,196,492	\$ 789,029	\$ 264,778	2.98									
2011-2012	\$ 2,087,017	\$ 1,227,669	\$ 859,348	\$ 264,352	3.25									
2012-2013*	\$ 2,312,459	\$ 1,193,942	\$ 1,118,517	\$ 263,912	4.24									
2013-2014	\$ -	\$ -	\$ -	\$ -	-									
2014-2015	\$ -	\$ -	\$ -	\$ -	-									

Source: City of Red Bluff Financial Reports

\* CalPERS Refunding Loan includes one time loan activity of \$1,948,000 in revenue and expenses

## City of Red Bluff

### GENERAL INFORMATION

As of June 30, 2015

#### Miscellaneous Information

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Year of Incorporation	1876
Population	14,238
Area in Acres	4,490
Form of Government	Council/Manager
Employees	
Full-time	87
Part-time	63
Miles of Streets	130
Number of Street Lights	822

#### Recreational Services

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Community Center	1
Parks	10
Parks acreage	90
Baseball fields	4
Tennis courts	3
Swimming pool facilities	1
Skate park	1
Basketball courts	3

#### Public Safety Services

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Fire Protection	
Number of stations	1
Number of firefighters	12
Number of volunteers	2
Police Protection	
Number of stations	1
Number of police officers	24
Number of records clerks	2
Dispatchers/ CSOs	8

#### Water and Sewer Facilities

---

Water System	
Number of connections	4,525
Length of water mains	68
Wastewater System	
Number of connections	4,525
Length of sewer lines in miles	60



## City of Red Bluff

### PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
County of Tehama	854	1	14%	880	1	16%
St. Elizabeth Hospital	460	2	7%	463	2	8%
Red Bluff Elementary School District	255	3	4%	286	3	5%
Tehama County Department of Education	221	4	4%	180	6	3%
Wal-Mart	215	5	3%	270	4	5%
Red Bluff High School District	195	6	3%	205	5	4%
California Division of Forestry	152	7	2%	156	7	3%
City of Red Bluff	150	8	2%	150	8	3%
Home Depot	109	9	2%	149	9	3%
Raleys	70	10	1%	80	10	1%
Total Employment, City of Red Bluff	6,170			5,640		

Source: City Business License records and City Community Development Department  
Based on 2008 study.

## City of Red Bluff

### ECONOMIC INFORMATION

Last Ten Fiscal Years

Calendar Year	Population	Unemployment Rate	Personal Income (In Thousands)	Per Capital Personal Income	Median Age*	% of Pop. 25+ with High School Degree*	% of Pop. 25+ with Bachelors Degree*
2005	13,684	8.1%	\$ 216,900	\$ 15,851			
2006	13,535	7.6%	\$ 229,587	\$ 16,962			
2007	13,676	8.5%	\$ 242,084	\$ 17,701			
2008	13,764	10.7%	\$ 245,993	\$ 17,872			
2009	13,726	16.4%	\$ 237,974	\$ 17,337	35.4	78.6%	11.3%
2010	13,825	18.4%	\$ 240,845	\$ 17,421	32.7	79.3%	10.2%
2011	14,032	17.5%	\$ 244,999	\$ 17,460	33.8	81.0%	10.4%
2012	14,186	13.8%	\$ 250,738	\$ 17,675	33.1	82.9%	10.2%
2013	14,131	11.9%	\$ 241,697	\$ 17,104	33.2	80.7%	9.2%
2014	14,238	10.2%	\$ 237,262	\$ 16,664	34.1	80.9%	9.4%

\* Information not available for 2004 to 2008

#### Source:

California Department of Finance, California Employment Development Department, 2000 US Census,  
US Department of Commerce, and Bureau of Economic Analysis

Compiled by HdL, Coren & Cone

# City of Red Bluff

## OPERATING AND CAPITAL INDICATORS

### Last Ten Fiscal Years

Fiscal Year	Street Miles	Traffic Signals	Park Acreage	Water Wells	Sanitary Sewer Miles	Sewer Maximum Daily Treatment Capacity (Million Gallons)	Airport Runway Lengths 15L/33R (Feet)	Street Resurfacing (Tons of Asphalt)	Police Calls for Service*	Police Arrests*	Fire Dept. Service Calls	Fire Dept. Medical Emergency Calls	Number of Fire Hydrants
2005-2006	130.0	7	90	14	60	2.5	5,700	57	31,518	1,762	694	1,704	603
2006-2007	130.0	7	90	14	60	2.5	5,700	257	29,804	1,620	637	1,779	611
2007-2008	130.0	7	90	14	60	2.5	5,700	452	32,139	1,712	667	1,885	621
2008-2009	130.0	7	90	14	60	2.5	5,431	446	32,553	1,404	623	1,925	628
2009-2010	130.0	7	90	14	60	2.5	5,431	89	30,135	1,411	590	2,036	631
2010-2011	130.0	7	90	14	60	2.5	5,431	57	30,295	1,321	627	2,298	631
2011-2012	130.0	7	90	14	60	2.5	5,431	114	31,893	1,264	780	2,533	634
2012-2013	130.0	7	90	14	60	2.5	5,431	63	30,140	1,439	888	2,639	635
2013-2014	130.0	7	90	14	60	2.5	5,431	264	32,773	1,838	954	2,473	635
2014-2015	130.0	7	90	14	60	2.5	5,700	23	34,451	1,703	1,001	2,747	635

Source: City of Red Bluff records

\*Statistics only available in calendar year, so providing 2013 calendar year for 2014 fiscal year statistics.

## City of Red Bluff

### AUTHORIZED FULL-TIME AND PART-TIME POSITIONS BY DEPARTMENT Last Ten Fiscal Years

Department	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
General Government	10	10	8	8	9	10	10	11	10	10
Community Development	2	3	5	4	4	4	4	6	8	8
Fire	31	26	22	24	22	27	30	27	28	29
Police	36	36	33	32	32	33	39	39	36	36
Public Works	10	11	7	6	6	6	10	12	12	10
Sewer	6	5	4	4	4	4	8	8	9	9
Water	6	5	5	4	4	6	6	6	6	6
Parks & Recreation	49	49	43	49	43	35	45	48	47	41
Total City	150	145	127	131	124	125	152	157	156	149

Source: City of Red Bluff Personnel Department

## City of Red Bluff

### WATER AND SEWER RATES

Last Ten Fiscal Years

Fiscal Year	Water		Sewer	
	Monthly Base Rate	Consumption Rate Avg. Rate Per 100 Cu. Ft.	Monthly Base Rate	Rate Per 100 Cu. Ft. of Water Consumed
2005-2006	12.40	0.47	25.00	1.97
2006-2007	12.40	0.47	25.00	1.97
2007-2008	12.40	0.47	25.00	1.97
2008-2009	12.40	0.47	25.00	1.97
2009-2010	12.40	0.47	25.00	1.97
2010-2011	12.40	0.47	25.00	1.97
2011-2012	15.04	0.63	34.00	2.69
2012-2013	15.04	0.63	34.00	2.69
2013-2014	15.04	0.63	34.00	2.69
2014-2015	15.04	0.63	34.00	2.69

#### Notes:

Water rates are based on a 3/4" meter, which is a standard household meter size.

Water consumption rates vary with amount of water usage.

Sewer rates for a standard household are only the base rate.

Sewer rates for commercial properties are base rate plus water consumed.

Sewer consumption rate is basic rate for all commercial except bakeries and restaurants.

Source: City of Red Bluff schedule of fees, current, and prior

## City of Red Bluff

### TOP 25 SALES TAX PRODUCERS

Last Ten Fiscal Years

#### FOR FISCAL YEAR 2014-15

Business Name	Business Category
76	Service Stations
Adobe Minimart	Service Stations
Antelope Valero	Service Stations
Arco AM PM	Service Stations
Dollar General	Variety Stores
Exxon Food Mart	Service Stations
Food Maxx	Grocery Stores Liquor
General Electric Company	Electrical Equipment
Growney Motors Buick/GMC	New Motor Vehicle Dealers
Home Depot	Lumber/Building Materials
Les Schwab Tire Center	Automotive Supply Stores
Main Street Chevron	Service Stations
McDonalds	Restaurants No Alcohol
More for Less Gas	Service Stations
One Stop Gas & Food	Service Stations
Pneumatic Conveying & Manufacturing	Heavy Industrial
Raleys Supermarket	Grocery Stores Liquor
Red Bluff AM PM	Service Stations
Red Bluff Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Red Bluff Shell	Service Stations
Staples	Office Supplies/Furniture
Taco Bell	Restaurants No Alcohol
Tesoro West Coast	Service Stations
Tractor Supply Company	Garden/Agricultural Supplies
Walmart	Discount Dept Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 65.11%

Period: July 2014 through March 2015

\* Firms Listed Alphabetically

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

#### FOR FISCAL YEAR 2005-06

Business Name	Business Category
Antelope Valero	Service Stations
Arco AM PM	Service Stations
Exxon Food Mart	Service Stations
Food Maxx	Grocery Stores Liquor
Gannons Auto Body & Repair	Auto Repair Shops
Geo Growney Motors	New Motor Vehicle Dealers
Helser Chev Olds Cad & Geo	New Motor Vehicle Dealers
Home Depot	Lumber/Building Materials
Lassen Lumber Ace Hardware	Lumber/Building Materials
Les Schwab Tire Center	Automotive Supply Stores
Main Street Chevron	Service Stations
McDonalds	Quick-Service Restaurants
Moss Lumber	Lumber/Building Materials
One Stop Gas & Food	Service Stations
Raleys Supermarket	Grocery Stores Liquor
Red Bluff Ford Mercury	New Motor Vehicle Dealers
Red Bluff Shell	Service Stations
Staples	Office Supplies/Furniture
Tehama Auto Center	Used Automotive Dealers
Tops Supermarket	Service Stations
Tractor Supply Company	Garden/Agricultural Supplies
USA Gasoline	Service Stations
USA Petroleum	Service Stations
Walmart	Discount Dept Stores
Warner Petroleum	Petroleum Prod/Equipment

Percent of Fiscal Year Total Paid By Top 25 Accounts = 67.81%

Period: July 2005 through March 2006

## City of Red Bluff

### TAXABLE SALES BY CATEGORY

Last Ten Calendar Years (In Thousands of Dollars)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Apparel stores	\$ 1,136	\$ 1,449	\$ 1,243	\$ 956	\$ 905	\$ 876	\$ 1,108	\$ 1,297	\$ 1,341	\$ 1,478
Food stores	15,633	15,792	15,905	15,734	15,518	15,240	13,723	14,896	14,618	14,700
Eating and drinking places	28,069	29,360	29,241	28,605	26,466	28,337	28,165	29,743	29,223	31,391
Building materials	48,291	53,290	46,650	40,115	32,605	32,610	33,440	34,166	38,035	38,071
Auto dealers and supplies	85,214	86,199	77,342	53,852	27,437	20,281	18,177	26,760	42,588	53,759
Service stations	53,630	58,838	64,245	68,832	56,468	65,878	81,879	85,658	86,961	80,406
Other retail stores	77,684	73,394	76,687	71,660	63,385	60,501	60,234	61,951	64,074	63,924
All other outlets	64,045	61,588	57,811	55,835	42,686	47,078	45,554	47,880	49,093	57,917
<b>Total</b>	<b>\$ 373,702</b>	<b>\$ 379,910</b>	<b>\$ 369,124</b>	<b>\$ 335,589</b>	<b>\$ 265,470</b>	<b>\$ 270,801</b>	<b>\$ 282,280</b>	<b>\$ 302,351</b>	<b>\$ 325,933</b>	<b>\$ 341,646</b>

Source: State of California Board of Equalization and The HdL Companies

**Note:**

Due to confidentiality issues, the names of the ten largest revenue payers are not available.

The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

## **GAO SECTION**





**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and City Council  
City of Red Bluff, California

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Red Bluff (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 8, 2015.

***Internal Control Over Financial Reporting***

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

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

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

(Continued)

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*KCae Team, LLP*

December 8, 2015  
Redding, California

**City of Red Bluff****SCHEDULE OF FINDINGS AND RESPONSES**

June 30, 2015

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**SECTION II FINDINGS****FINANCIAL STATEMENT AUDIT**

None.

**City of Red Bluff**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2015

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None.