

**CITY OF RED BLUFF, CALIFORNIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended**  
**June 30, 2017**

Prepared by:

Red Bluff Finance Department

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## **INTRODUCTORY SECTION**



# CITY OF RED BLUFF

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555 Washington Street Red Bluff, California 96080 (530) 527-2605 Fax (530) 529-6878 [www.cityofredbluff.org](http://www.cityofredbluff.org)

December 28, 2017

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, 2017. 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 as close to the calendar year end as possible. Aiello, Goodrich, & Teuscher, 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, 2017, 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 property tax revenue leading the way with a 9% increase. The 17/18 fiscal year's property tax revenue is projected to increase by 6.5%.

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 additional increase in quarter cent sales tax has increased the reserves for capital outlay, as well as provided for several new employees in the police, fire, and parks departments. Overall, the City's sales tax revenue declined by 2.7%, mainly due to timing differences and the end of the triple-flip program. The City expects sales tax to increase slightly in the 17/18 fiscal year, to slightly exceeding the 15/16 fiscal year.

#### *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. The City's policy is to fund and maintain a reserve for contingencies of 10%, a reserve for economic uncertainties of 5%, and then to fund reserves to accommodate needed capital. The General Fund has sufficient revenues to meet its desired operating or emergency reserve levels, as outlined in the City's reserve policies, and to fund reserves for needed capital. 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.

### *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reports to the City of Red Bluff for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This Comprehensive 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,



Sandy Ryan, Finance Director



Richard Crabtree, City Manager/Attorney



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

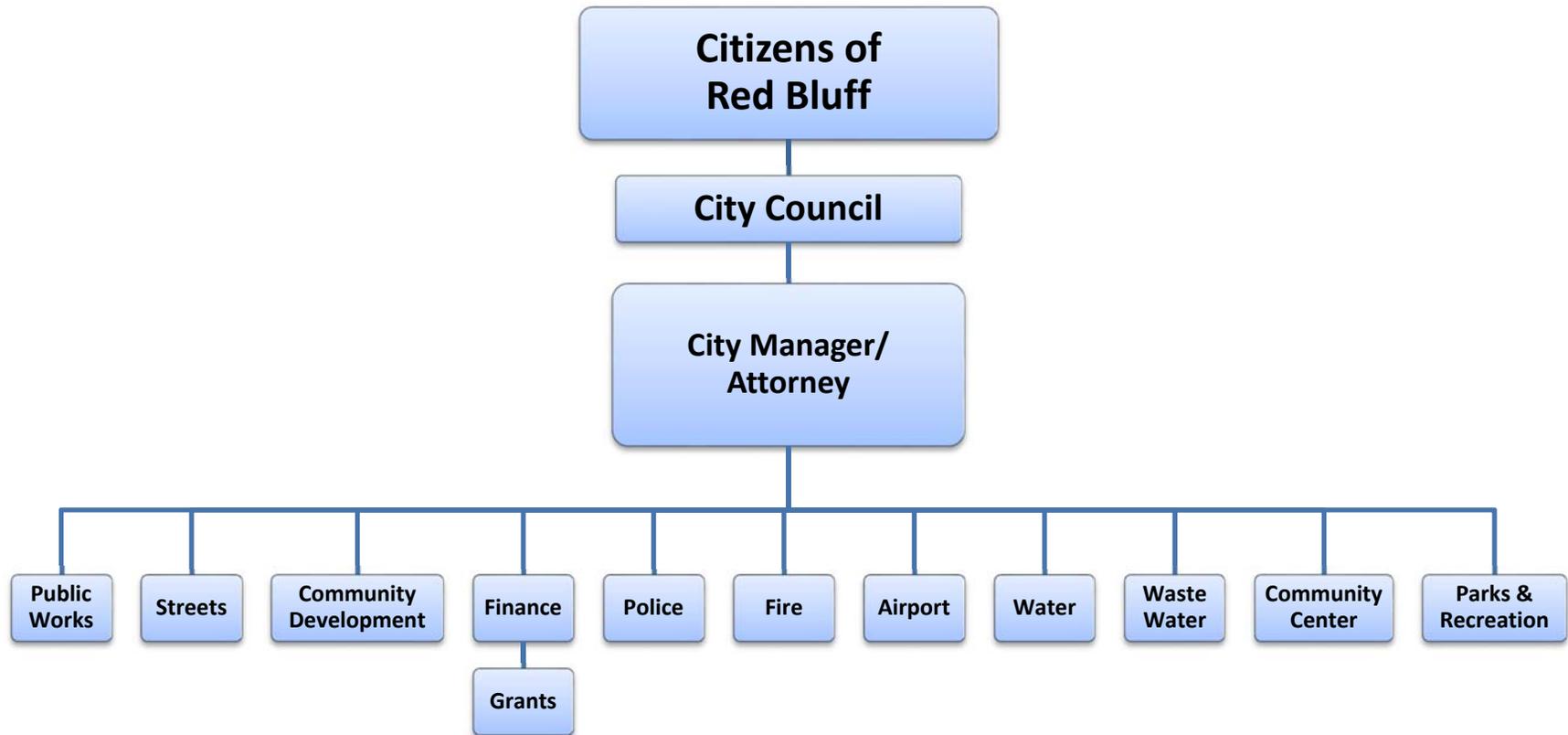
**City of Red Bluff  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director/CEO



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, 2017

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**CITY COUNCIL**

Mayor.....Gary Jones  
Mayor Pro Tem ..... Daniele Eyestone  
Council Member..... Clay Parker  
Council Member..... Amanda Jenkins  
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 ..... Robin Kampmann  
Community Development Director.....Scott Friend  
Chief of Police .....Kyle Sanders  
Fire Chief ..... Ray Barber  
City Clerk .....Cassidy DeRego

## **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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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, 2017, 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.

### **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 12 through 20 and pension disclosure schedules on pages 64 through 65 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, statistical section, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

## **INDEPENDENT AUDITORS' REPORT**

(Continued)

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 28, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



December 28, 2017

Aiello, Goodrich & Teuscher  
An Accountancy Corporation  
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, 2017.

#### **FINANCIAL HIGHLIGHTS**

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$57,423,269 (net position). Of this amount, \$5,193,499 (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 \$1,099,397.

As of the close of the current fiscal year, the City's governmental activities reported combined total net position of \$30,754,346. Of this amount \$(6,672,378) 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 \$40,070 or 0.4% of the total General Fund expenditures. The assigned fund balance of \$2,953,000 is comprised of the following: 1) assigned for contingencies - \$988,630 or 10% of the total General Fund expenditures; 2) assigned for uncertainties - \$494,315 or 5% of the total General Fund expenditures; 3) assigned for fire vehicles - \$195,000; 4) assigned for police vehicles - \$100,000; 5) assigned for city buildings \$1,034,455; and 6) assigned for quarter cent sales tax expenses - \$140,600.

#### **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, 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), and for pension expense that is expected to be incurred, based on current conditions and actuarial estimations.

## **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, 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 Fund, all of which are considered to be major funds. The General Fund consists of three different departmental funds: General, Public Safety, and Parks and Recreation. Data from the other 27 funds are detailed in the combining and individual non-major fund financial statements.

#### **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 detailed in the combining and individual non-major fund financial statements.

# 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 \$57,423,269 as of June 30, 2017.

The largest portion of the City's net position (72.46%) 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 \$10,620,467 of the City's net assets (18.50%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets \$5,193,499 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, 2017 and 2016.

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

June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>						
Current and other assets	\$ 17,399,623	\$ 16,641,085	\$ 14,645,231	\$ 13,516,324	\$ 32,044,854	\$ 30,157,409
Capital assets	26,818,257	27,906,668	15,216,806	14,970,905	42,035,063	42,877,573
<b>TOTAL ASSETS</b>	<b>44,217,880</b>	<b>44,547,753</b>	<b>29,862,037</b>	<b>28,487,229</b>	<b>74,079,917</b>	<b>73,034,982</b>
<b>Deferred outflows from pensions</b>						
	2,839,022	3,909,061	743,536	809,639	3,582,558	4,718,700
<b>LIABILITIES</b>						
Net pension liability	11,207,355	8,573,756	2,542,407	1,686,795	13,749,762	10,260,551
Long-term liabilities	2,999,298	3,139,193	581,151	772,931	3,580,449	3,912,124
Other liabilities	743,632	667,786	341,976	302,228	1,085,608	970,014
<b>TOTAL LIABILITIES</b>	<b>14,950,285</b>	<b>12,380,735</b>	<b>3,465,534</b>	<b>2,761,954</b>	<b>18,415,819</b>	<b>15,142,689</b>
<b>Deferred inflows from pensions</b>						
	1,352,271	4,996,104	471,116	1,291,017	1,823,387	6,287,121
<b>NET POSITION</b>						
Net investment in capital assets	26,806,257	27,884,748	14,803,046	14,424,080	41,609,303	42,308,828
Restricted	10,620,467	10,465,626	-	-	10,620,467	10,465,626
Unrestricted	(6,672,378)	(7,270,399)	11,865,877	10,819,817	5,193,499	3,549,418
<b>TOTAL NET POSITION</b>	<b>\$ 30,754,346</b>	<b>\$ 31,079,975</b>	<b>\$ 26,668,923</b>	<b>\$ 25,243,897</b>	<b>\$ 57,423,269</b>	<b>\$ 56,323,872</b>

**City of Red Bluff**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

As of June 30, 2017, the City is able to report positive balances in all three categories of net position for the government as a whole.

**Analysis of the City's Operations**

The following table provides a summary of the City's operations for the years ended June 30, 2017 and 2016.

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

Years Ended June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 609,662	\$ 683,044	\$ 6,064,797	\$ 5,677,726	\$ 6,674,459	\$ 6,360,770
Operating grants and contributions	2,073,783	870,914	90,030	76,457	2,163,813	947,371
Capital grants and contributions	32,143	162,907	462,227	31,330	494,370	194,237
General Revenues:						
Sales taxes	4,352,561	4,471,064	-	-	4,352,561	4,471,064
Property taxes	1,538,737	1,409,976	71,582	59,973	1,610,319	1,469,949
Motel taxes	939,306	928,374	-	-	939,306	928,374
Special gas taxes	275,095	314,726	-	-	275,095	314,726
Franchise taxes	359,147	346,867	-	-	359,147	346,867
Other taxes	235,859	220,719	-	-	235,859	220,719
Motor vehicle license fees	1,138,014	1,057,086	-	-	1,138,014	1,057,086
Impact fees	264,947	204,968	-	-	264,947	204,968
Gain/(Loss) on sale of assets	-	184	-	-	-	184
Investment earnings	177,092	170,436	135,161	125,225	312,253	295,661
<b>Total Revenues</b>	<b>11,996,346</b>	<b>10,841,265</b>	<b>6,823,797</b>	<b>5,970,711</b>	<b>18,820,143</b>	<b>16,811,976</b>
<b>Expenses</b>						
General Government:						
City administration	533,939	472,291	-	-	533,939	472,291
Finance	465,684	457,445	-	-	465,684	457,445
Community promotion and economic development	93,420	97,611	-	-	93,420	97,611
Human resources	128,960	125,048	-	-	128,960	125,048
Engineering and administration	176,189	105,265	-	-	176,189	105,265
Government buildings	358,403	186,650	-	-	358,403	186,650
General government	114,071	53,313	-	-	114,071	53,313
Public Safety:						
Fire	3,008,573	2,092,629	-	-	3,008,573	2,092,629
Police	4,727,324	4,993,565	-	-	4,727,324	4,993,565
Parks and recreation	564,815	287,670	-	-	564,815	287,670
Transportation and streets	1,772,811	2,437,016	-	-	1,772,811	2,437,016
Grants and program income	990,726	251,425	-	-	990,726	251,425
Community development	-	-	201,601	313,412	201,601	313,412
Waste water	-	-	2,397,433	2,261,824	2,397,433	2,261,824
Water	-	-	1,630,846	1,429,373	1,630,846	1,429,373
Airport	-	-	245,281	174,170	245,281	174,170
Community center	-	-	310,670	293,399	310,670	293,399
<b>Total Expenses</b>	<b>12,934,915</b>	<b>11,559,928</b>	<b>4,785,831</b>	<b>4,472,178</b>	<b>17,720,746</b>	<b>16,032,106</b>
<b>Excess (deficiency) before transfers</b>	<b>(938,569)</b>	<b>(718,663)</b>	<b>2,037,966</b>	<b>1,498,533</b>	<b>1,099,397</b>	<b>779,870</b>
Transfers	612,940	506,481	(612,940)	(506,481)	-	-
<b>Change in Net Position</b>						
(Expense) revenue - net	(325,629)	(212,182)	1,425,026	992,052	1,099,397	779,870
<b>Net Position - Beg. of Year</b>	<b>31,079,975</b>	<b>31,292,157</b>	<b>25,243,897</b>	<b>24,251,845</b>	<b>56,323,872</b>	<b>55,544,002</b>
<b>Net Position - End of Year</b>	<b>\$ 30,754,346</b>	<b>\$ 31,079,975</b>	<b>\$ 26,668,923</b>	<b>\$ 25,243,897</b>	<b>\$ 57,423,269</b>	<b>\$ 56,323,872</b>

## City of Red Bluff

### MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

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The governmental activities net position decreased by \$325,629. The following are significant changes from the prior year:

- 1) City Admin expenses increased by \$61,000 due to employee retirement;
- 2) Engineering expenses increased by \$71,000 due to new employee;
- 3) Govt. Building expenses increased by \$172,000 due to two new employees;
- 4) Fire expenses increased by \$916,000 due to two new employees and pension expense increase;
- 5) Police expenses decreased by \$266,000 due to pension expense decrease from turnover of employees;
- 6) Parks expenses increased by \$277,000 due to pension expense increases and a new employee;
- 7) Transportation expenses decreased by \$680,000 due to pension expense decrease and transfer of two employees to the Govt. Buildings;
- 8) Operating grants and contributions increased by \$1,203,000 due to increases in grants for the police department and the CDBG grant department;
- 9) Capital grants and contributions decreased by \$130,000 due to decreases in capital grants for the CDBG grant department; and
- 10) General revenues increased by \$263,000 due to modest gains in most categories and an increase in transfers for the City's cost allocation.

The business activities net position increased \$1,425,026. The following are significant changes from the prior year.

- 1) Community Development expenses and revenue decreased, resulting in a net increase of \$51,000 due to slightly decreased building activity;
- 2) Waste water expenses and revenue increased by a net of \$147,000 due to new commercial and residential building in the prior year;
- 3) The Airport revenue increased by \$430,000 due to Grants for runway improvements; and
- 4) Operating transfers out increased by \$106,000 due to the update of the cost allocation plan.

Overall the primary government net position has increased from the prior year.

## City of Red Bluff

### MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

#### 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, 2017.

	General Fund	Traffic Control Capital Improvement Fund	Grants/Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues	\$ 9,763,680	\$ 122,615	\$ 980,880	\$ 1,028,622	\$ 11,895,797
Expenditures	9,929,356	4,445	985,726	957,654	11,877,181
Other financing sources (uses) - net	640,142	-	-	(27,202)	612,940
<b>Change in Fund Balances</b>	474,466	118,170	(4,846)	43,766	631,556
<b>Fund Balance, July 1, 2016</b>	2,520,128	2,433,494	4,071,760	4,979,345	14,004,727
<b>Fund Balance, June 30, 2017</b>	\$ 2,994,594	\$ 2,551,664	\$ 4,066,914	\$ 5,023,111	\$ 14,636,283

The main reason for the general fund increase in fund balance is increased revenues for property taxes, offset by decreased sales tax; increases in all other revenue categories, mainly intergovernmental revenue which includes an increase of \$81,000 in motor vehicle license fees and an increase in state funded police programs of \$200,000. The main reason for the traffic control capital improvement fund increase in fund balance is impact fee revenue from development. The main reason for the grants/program income fund decrease in fund balance is the City used approximately \$5,000 in program income to fund the current CDBG projects - Alternatives to Violence expansion/improvements and ADA bathrooms at Dog Island Park. The main reason for the non-major governmental funds increase in fund balance is a decrease in transportation funding of employees and the transfer of those employees to the general fund.

#### 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, unexpected expenditures, and capital asset projects or purchases. The general fund increased the assigned fund balance by \$455,000 over the prior year, bringing the City to its goal of 10% of annual expenditures assigned for contingencies, 5% of annual expenditures assigned for uncertainties, and assigning fund balance for capital asset projects and purchases. The current assigned fund balance of \$2,953,000 is detailed as follows: \$988,630 assigned for contingencies; \$494,315 assigned for uncertainties; \$195,000 assigned for Fire Department vehicles; \$100,000 assigned for police vehicles; \$140,600 assigned for quarter cent sales tax expenditures; and \$1,034,455 assigned for city buildings.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,636,283. Approximately 21.98% 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 \$5,652,861 and Water Fund \$5,988,733. All Other Enterprise Funds had unrestricted net position of \$224,283.

#### General Fund Budgetary Highlights

In the General Fund, the City budgeted for a reduction in the fund balance of \$959,451 which was a result of authorized budgeted expenditures exceeding appropriations. Actual revenues were \$9,763,680 with final budget being \$9,380,490 with a favorable variance of \$383,190 and actual expenditures being less than budgeted expenditures with a favorable variance of \$946,177.

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 \$511,032 and \$1,038,591, respectively. The increases were due to new grants and donations which increased revenue and expenditures by the same amount, and increases in overtime expenses, improvements, and supplies and services expense. General Fund expenditures overall were \$946,177 under budget.

The City's total budgeted revenue at final budget was \$9,380,490. The majority of the revenue received over budgeted was property 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, 2017, amounts to \$41,609,303 (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, Note 4. Capital Assets.

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

Water: \$339,938 for purchase of a "Vac-Con" Vacuum Truck; \$10,805 for purchase of an air compressor.

Wastewater: \$59,285 in pump improvements at the WWTP; \$10,805 for purchase of an air compressor; \$112,253 in Walbridge Road main waste water upgrades and improvements.

Airport: \$14,254 in building improvements; \$11,748 in gate replacements; \$490,253 in runway rehabilitation.

Police: \$22,870 for purchase of a vehicle purchase; \$140,345 in vehicle disposals; \$11,798 for purchase of a Body Camera storage device; \$107,833 for purchase of a license plate reader system; \$65,763 in building improvements.

Fire: \$78,000 in vehicle disposals.

General Government: \$155,250 in HVAC upgrade for City Hall, Fire & Police; \$36,500 on the Banner Pole Project.

## City of Red Bluff

### MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Parks & Recreation: \$58,886 for the purchase of new playground equipment and engineered wood for playground surfaces; \$24,161 in the boat launch project.

Public Works: \$103,214 in various road projects (Givens Rd., Baker Rd., S. Jackson).

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

Years Ended June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Land	\$ 305,206	\$ 305,206	\$ 910,368	\$ 910,368	\$ 1,215,574	\$ 1,215,574
Buildings	150,851	168,491	573,138	585,784	723,989	754,275
Improvements	1,576,390	1,321,254	7,291,331	7,716,142	8,867,721	9,037,396
Equipment	398,107	378,279	397,991	61,987	796,098	440,266
Vehicles	268,484	331,617	4,897	15,397	273,381	347,014
Infrastructure	23,381,681	24,682,642	5,112,742	5,357,394	28,494,423	30,040,036
Construction in progress	737,538	719,179	926,339	323,833	1,663,877	1,043,012
<b>Total</b>	<b>\$ 26,818,257</b>	<b>\$ 27,906,668</b>	<b>\$ 15,216,806</b>	<b>\$ 14,970,905</b>	<b>\$ 42,035,063</b>	<b>\$ 42,877,573</b>

#### DEBT ADMINISTRATION

At the end of the current fiscal year, the City had a total loans payable of \$1,263,760. At the end of the current fiscal year, the City had a total capital leases payable of \$12,000. At the end of the current fiscal year, the City had a total leave/OPEB payable of \$2,304,689. Additional information is located in the Notes to the Financial Statements, Note 5. Long-Term Liabilities.

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	
	2017	2016	2017	2016	2017	2016
Compensated absences/OPEB	\$ 2,137,298	\$ 2,022,273	\$ 167,391	\$ 226,108	\$ 2,304,689	\$ 2,248,381
Notes payable	862,000	1,116,920	413,760	546,825	1,275,760	1,663,745
<b>Total</b>	<b>\$ 2,999,298</b>	<b>\$ 3,139,193</b>	<b>\$ 581,151</b>	<b>\$ 772,933</b>	<b>\$ 3,580,449</b>	<b>\$ 3,912,126</b>

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

City Management recommended and the City Council considered several important factors in adopting the 2017-18 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.

## **City of Red Bluff**

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

(Continued)

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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.
7. Major increases in CalPERS retirement system.

### **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, 2017	Governmental Activities	Business-Type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 8,991,360	\$ 13,713,689	\$ 22,705,049
Investments	988,555	-	988,555
Receivables:			
Taxes	216,405	-	216,405
Accounts - net	17,942	813,008	830,950
Interest	1,261,643	7,092	1,268,735
Due from other governments	1,256,597	71,170	1,327,767
Prepaid expenses	1,524	-	1,524
Prepaid pension expense	762,089	-	762,089
Internal balances	(40,272)	40,272	-
Loans receivable	3,943,780	-	3,943,780
Nondepreciable capital assets	1,042,744	1,836,707	2,879,451
Depreciable capital assets - net	25,775,513	13,380,099	39,155,612
<b>Total Assets</b>	<b>44,217,880</b>	<b>29,862,037</b>	<b>74,079,917</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows from pensions	2,839,022	743,536	3,582,558
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 47,056,902</b>	<b>\$ 30,605,573</b>	<b>\$ 77,662,475</b>

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

**City of Red Bluff**  
**STATEMENT OF NET POSITION**  
(Continued)

June 30, 2017	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>			
<b>Liabilities</b>			
Accounts payable	\$ 229,395	\$ 133,645	\$ 363,040
Accrued interest payable	18	6,659	6,677
Accrued payroll and benefits	272,637	49,731	322,368
Customer/employee deposits	6,104	135,116	141,220
Other liabilities	235,478	16,825	252,303
Long-term liabilities:			
Due within one year	568,762	177,311	746,073
Due in more than one year	2,430,536	403,840	2,834,376
Net pension liability	11,207,355	2,542,407	13,749,762
<b>Total Liabilities</b>	<b>14,950,285</b>	<b>3,465,534</b>	<b>18,415,819</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows from pension	1,352,271	471,116	1,823,387
<b>Net Position</b>			
Net investment in capital assets	26,806,257	14,803,046	41,609,303
Restricted for:			
Grant programs and program income	4,264,178	-	4,264,178
Impact fee development	5,724,690	-	5,724,690
Transportation	320,428	-	320,428
Other	311,171	-	311,171
Unrestricted	(6,672,378)	11,865,877	5,193,499
<b>Total Net Position</b>	<b>30,754,346</b>	<b>26,668,923</b>	<b>57,423,269</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 47,056,902</b>	<b>\$ 30,605,573</b>	<b>\$ 77,662,475</b>

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

**City of Red Bluff**  
**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2017	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	\$ 533,939	\$ -	\$ -	\$ -	\$ (533,939)
Finance	465,684	-	-	-	(465,684)
Community promotion and economic development	93,420	-	-	-	(93,420)
Human resources	128,960	-	-	-	(128,960)
Engineering and administration	176,189	-	-	-	(176,189)
Government buildings	358,403	-	-	-	(358,403)
General government	114,071	423,257	-	-	309,186
Public safety:					
Fire	3,008,573	11,423	261,803	-	(2,735,347)
Police	4,727,324	89,356	523,181	7,982	(4,106,805)
Parks and recreation	564,815	85,626	920	-	(478,269)
Transportation and streets	1,772,811	-	315,939	-	(1,456,872)
Grants and program income	990,726	-	971,940	24,161	5,375
<b>Total Governmental Activities</b>	<b>12,934,915</b>	<b>609,662</b>	<b>2,073,783</b>	<b>32,143</b>	<b>(10,219,327)</b>
Business-type activities:					
Community development	201,601	458,409	-	-	256,808
Waste water	2,397,433	3,152,427	-	-	754,994
Water	1,630,846	2,212,746	-	-	581,900
Airport	245,281	113,790	-	462,227	330,736
Community center	310,670	127,425	90,030	-	(93,215)
<b>Total Business-Type Activities</b>	<b>4,785,831</b>	<b>6,064,797</b>	<b>90,030</b>	<b>462,227</b>	<b>1,831,223</b>
<b>Total Primary Government</b>	<b>\$ 17,720,746</b>	<b>\$ 6,674,459</b>	<b>\$ 2,163,813</b>	<b>\$ 494,370</b>	<b>\$ (8,388,104)</b>

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

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

Year Ended June 30, 2017	Governmental Activities	Business-Type Activities	Total
<b>Change in Net Position</b>			
(Expense) revenue - net	\$ (10,219,327)	\$ 1,831,223	\$ (8,388,104)
<b>General Revenues and Transfers</b>			
General revenues:			
Taxes:			
Sales taxes	4,352,561	-	4,352,561
Property taxes	1,538,737	71,582	1,610,319
Motel taxes	939,306	-	939,306
Special gas taxes	275,095	-	275,095
Franchise taxes	359,147	-	359,147
Other taxes	235,859	-	235,859
Motor vehicle license fees	1,138,014	-	1,138,014
Impact fees	264,947	-	264,947
Investment earnings	177,092	135,161	312,253
Gain on sale of assets	-	-	-
Transfers	612,940	(612,940)	-
<b>Total General Revenues and Transfers</b>	<b>9,893,698</b>	<b>(406,197)</b>	<b>9,487,501</b>
<b>Change in Net Position</b>	<b>(325,629)</b>	<b>1,425,026</b>	<b>1,099,397</b>
<b>Net Position - Beginning of Year</b>	<b>31,079,975</b>	<b>25,243,897</b>	<b>56,323,872</b>
<b>Net Position - End of Year</b>	<b>\$ 30,754,346</b>	<b>\$ 26,668,923</b>	<b>\$ 57,423,269</b>

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

**City of Red Bluff**  
BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2017	General Fund	Traffic Control Capital Improvement Fund	Grants/ Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,287,362	\$ 2,554,100	\$ 85,003	\$ 5,064,895	\$ 8,991,360
Investments	988,555	-	-	-	988,555
Receivables:					
Taxes	216,405	-	-	-	216,405
Accounts	6,384	-	187	11,371	17,942
Interest	500	1,164	1,257,667	2,312	1,261,643
Loans	-	-	3,943,780	-	3,943,780
Prepaid expenses	1,524	-	-	-	1,524
Due from other governments	933,690	-	108,677	214,230	1,256,597
Due from other funds	11,453	-	-	5,908	17,361
<b>TOTAL ASSETS</b>	<b>\$ 3,445,873</b>	<b>\$ 2,555,264</b>	<b>\$ 5,395,314</b>	<b>\$ 5,298,716</b>	<b>\$ 16,695,167</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 142,806	\$ 3,600	\$ 64,873	\$ 18,116	\$ 229,395
Accrued payroll and benefits	267,718	-	-	4,919	272,637
Customer/employee deposits	6,104	-	-	-	6,104
Accrued interest payable	-	-	-	18	18
Other liabilities	34,651	-	-	200,827	235,478
Due to other funds	-	-	5,908	51,725	57,633
<b>Total Liabilities</b>	<b>451,279</b>	<b>3,600</b>	<b>70,781</b>	<b>275,605</b>	<b>801,265</b>
<b>Deferred Inflows of Resources</b>					
Interest on notes receivable	-	-	1,257,619	-	1,257,619
<b>Fund Balances (Deficit)</b>					
Nonspendable	1,524	-	-	-	1,524
Restricted	-	2,464,610	4,054,256	3,876,074	10,394,940
Committed	-	-	-	1,023,968	1,023,968
Assigned	2,953,000	87,054	12,658	163,359	3,216,071
Unassigned	40,070	-	-	(40,290)	(220)
<b>Total Fund Balances</b>	<b>2,994,594</b>	<b>2,551,664</b>	<b>4,066,914</b>	<b>5,023,111</b>	<b>14,636,283</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,445,873</b>	<b>\$ 2,555,264</b>	<b>\$ 5,395,314</b>	<b>\$ 5,298,716</b>	<b>\$ 16,695,167</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, 2017

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<b>Total Fund Balances Included in the Balance Sheet - Governmental Funds</b>		<b>\$ 14,636,283</b>
Assets recorded within the Statement of Net Position not reported in the funds:		
Prepaid pension expenses		762,089
Nondepreciable capital assets		1,042,744
Depreciable capital assets	\$ 63,295,803	
Accumulated depreciation	<u>(37,520,290)</u>	25,775,513
Deferred inflows of resources recorded within the funds not reported in the Statement of Net Position:		
Interest on notes receivable		1,257,619
Liabilities recorded within the Statement of Net Position not reported in the funds:		
Net pension liability		(11,207,355)
Compensated absences		(1,188,088)
Long-term obligations		(862,000)
Other postemployment benefits obligation		(949,210)
Deferred inflows and outflows recorded within the statement of net position not reported in the funds:		
Deferred outflows of resources relating to pensions		2,839,022
Deferred inflows of resources relating to pensions		<u>(1,352,271)</u>
<b>Net Position Reported Within the Statement of Net Position - Governmental Activities</b>		<b>\$ 30,754,346</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, 2017	General Fund	Traffic Control Capital Improvement Fund	Grants/ Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Sales taxes	\$ 4,352,561	\$ -	\$ -	\$ -	\$ 4,352,561
Property taxes	1,538,737	-	-	-	1,538,737
Motel taxes	939,306	-	-	-	939,306
Franchise taxes	359,147	-	-	-	359,147
Other taxes	51,923	-	-	164,376	216,299
Licenses and permits	418,791	-	-	-	418,791
Fines, forfeitures, and penalties	25,055	-	-	21,226	46,281
Use of money and property	2,292	21,913	8,993	43,345	76,543
Intergovernmental revenue	1,833,173	-	971,887	615,193	3,420,253
Charges for current services	119,180	-	-	-	119,180
Other revenues	123,515	100,702	-	184,482	408,699
<b>Total Revenues</b>	<b>9,763,680</b>	<b>122,615</b>	<b>980,880</b>	<b>1,028,622</b>	<b>11,895,797</b>
<b>Expenditures</b>					
Current:					
General government	1,734,905	-	-	24,815	1,759,720
Fire public safety	2,358,334	-	-	-	2,358,334
Police public safety	4,756,752	-	-	-	4,756,752
Parks and recreation	370,533	-	-	-	370,533
Transportation and streets	-	-	-	757,283	757,283
Grants and program income	-	-	985,726	5,000	990,726
Capital outlay	420,099	4,445	-	161,731	586,275
Debt service:					
Principal	248,180	-	-	6,740	254,920
Interest	40,553	-	-	2,085	42,638
<b>Total Expenditures</b>	<b>9,929,356</b>	<b>4,445</b>	<b>985,726</b>	<b>957,654</b>	<b>11,877,181</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(165,676)</b>	<b>118,170</b>	<b>(4,846)</b>	<b>70,968</b>	<b>18,616</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	760,265	-	-	194,027	954,292
Transfers out	(120,123)	-	-	(221,229)	(341,352)
<b>Total Other Financing Sources (Uses)</b>	<b>640,142</b>	<b>-</b>	<b>-</b>	<b>(27,202)</b>	<b>612,940</b>
<b>Net Change in Fund Balances</b>	<b>474,466</b>	<b>118,170</b>	<b>(4,846)</b>	<b>43,766</b>	<b>631,556</b>
<b>Fund Balances - Beginning of Year</b>	<b>2,520,128</b>	<b>2,433,494</b>	<b>4,071,760</b>	<b>4,979,345</b>	<b>14,004,727</b>
<b>Fund Balances - End of Year</b>	<b>\$ 2,994,594</b>	<b>\$ 2,551,664</b>	<b>\$ 4,066,914</b>	<b>\$ 5,023,111</b>	<b>\$ 14,636,283</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, 2017

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

\$ 631,556

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	\$ 586,275	
Depreciation expense	(1,674,682)	(1,088,407)

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

Interest income	101,713
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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	254,920
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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.

Pension costs	(59,809)
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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	(132,293)
CalPERS pension side fund expense	(239,377)
Workers' compensation program expense	188,800
Compensated absences expense	17,268

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

\$ (325,629)

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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, 2017	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	\$ 4,358,000	\$ 4,358,000	\$ 4,352,561	\$ (5,439)	\$ -	\$ -	\$ -	\$ -
Property taxes	1,436,778	1,436,778	1,538,737	101,959	-	-	-	-
Motel taxes	835,000	835,000	939,306	104,306	-	-	-	-
Franchise taxes	327,000	327,000	359,147	32,147	-	-	-	-
Other taxes	43,000	43,000	51,923	8,923	-	-	-	-
Licenses and permits	383,916	383,916	418,791	34,875	-	-	-	-
Fines, forfeitures, and penalties	17,100	17,100	25,055	7,955	-	-	-	-
Use of money and property	-	-	2,292	2,292	500	500	8,993	8,493
Intergovernmental revenue	1,261,220	1,759,652	1,833,173	73,521	1,000,000	1,000,000	971,887	(28,113)
Charges for current services	105,300	105,300	119,180	13,880	-	-	-	-
Other revenues	102,144	114,744	123,515	8,771	-	-	-	-
<b>Total Revenues</b>	<b>8,869,458</b>	<b>9,380,490</b>	<b>9,763,680</b>	<b>383,190</b>	<b>1,000,500</b>	<b>1,000,500</b>	<b>980,880</b>	<b>(19,620)</b>
<b>Expenditures</b>								
Current:								
General government	1,727,194	1,783,099	1,734,905	48,194	-	-	-	-
Fire public safety	2,129,705	2,309,575	2,358,334	(48,759)	-	-	-	-
Police public safety	4,949,813	4,981,747	4,756,752	224,995	-	-	-	-
Parks and recreation	408,055	408,759	370,533	38,226	-	-	-	-
Transportation and streets	-	-	-	-	-	-	-	-
Grants and program income	-	-	-	-	1,019,500	1,019,500	985,726	33,774
Capital outlay	336,866	1,107,044	420,099	686,945	-	-	-	-
Debt service:								
Principal	248,003	248,003	248,180	(177)	-	-	-	-
Interest	37,306	37,306	40,553	(3,247)	-	-	-	-
<b>Total Expenditures</b>	<b>9,836,942</b>	<b>10,875,533</b>	<b>9,929,356</b>	<b>946,177</b>	<b>1,019,500</b>	<b>1,019,500</b>	<b>985,726</b>	<b>33,774</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(967,484)</b>	<b>(1,495,043)</b>	<b>(165,676)</b>	<b>1,329,367</b>	<b>(19,000)</b>	<b>(19,000)</b>	<b>(4,846)</b>	<b>14,154</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	1,206,203	1,196,826	760,265	(436,561)	-	-	-	-
Transfers out	(661,234)	(661,234)	(120,123)	541,111	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>544,969</b>	<b>535,592</b>	<b>640,142</b>	<b>104,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(422,515)</b>	<b>(959,451)</b>	<b>474,466</b>	<b>1,433,917</b>	<b>(19,000)</b>	<b>(19,000)</b>	<b>(4,846)</b>	<b>14,154</b>
<b>Fund Balances - Beginning of Year</b>	<b>2,520,128</b>	<b>2,520,128</b>	<b>2,520,128</b>	<b>-</b>	<b>4,071,760</b>	<b>4,071,760</b>	<b>4,071,760</b>	<b>-</b>
<b>Fund Balances - End of Year</b>	<b>\$ 2,097,613</b>	<b>\$ 1,560,677</b>	<b>\$ 2,994,594</b>	<b>\$ 1,433,917</b>	<b>\$ 4,052,760</b>	<b>\$ 4,052,760</b>	<b>\$ 4,066,914</b>	<b>\$ 14,154</b>

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

# City of Red Bluff

## STATEMENT OF NET POSITION – PROPRIETARY FUNDS

June 30, 2017	Waste Water Fund	Water Fund	Nonmajor Enterprise Funds	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 6,189,546	\$ 6,604,230	\$ 919,913	\$ 13,713,689
Receivables:				
Accounts - net	455,263	353,065	4,680	813,008
Interest	3,019	3,624	449	7,092
Due from other governments	-	-	71,170	71,170
Due from other funds	-	182,165	-	182,165
<b>Total Current Assets</b>	<b>6,647,828</b>	<b>7,143,084</b>	<b>996,212</b>	<b>14,787,124</b>
<b>Noncurrent Assets</b>				
Nondepreciable capital assets	750,343	146,117	940,247	1,836,707
Depreciable capital assets - net	4,116,374	7,537,481	1,726,244	13,380,099
<b>Total Noncurrent Assets</b>	<b>4,866,717</b>	<b>7,683,598</b>	<b>2,666,491</b>	<b>15,216,806</b>
<b>Total Assets</b>	<b>11,514,545</b>	<b>14,826,682</b>	<b>3,662,703</b>	<b>30,003,930</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows from pensions	282,798	297,097	163,641	743,536
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 11,797,343</b>	<b>\$ 15,123,779</b>	<b>\$ 3,826,344</b>	<b>\$ 30,747,466</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 35,089	\$ 41,004	\$ 57,552	\$ 133,645
Accrued interest payable	6,217	361	81	6,659
Accrued payroll and benefits	18,871	19,490	11,370	49,731
Customer/employee deposits	-	125,901	9,215	135,116
Other liabilities	47	3	16,775	16,825
Due to other funds	-	-	141,893	141,893
Compensated absences payable - current	17,843	15,142	8,863	41,848
Bonds and loan payable - current	135,463	-	-	135,463
<b>Total Current Liabilities</b>	<b>213,530</b>	<b>201,901</b>	<b>245,749</b>	<b>661,180</b>
<b>Noncurrent Liabilities</b>				
Net pension liability	966,984	1,015,876	559,547	2,542,407
Compensated absences - net	53,529	45,426	26,588	125,543
Bonds and loans payable - net	278,297	-	-	278,297
<b>Total Noncurrent Liabilities</b>	<b>1,298,810</b>	<b>1,061,302</b>	<b>586,135</b>	<b>2,946,247</b>
<b>Total Liabilities</b>	<b>1,512,340</b>	<b>1,263,203</b>	<b>831,884</b>	<b>3,607,427</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows from pension	179,185	188,245	103,686	471,116
<b>Net Position</b>				
Net investment in capital assets	4,452,957	7,683,598	2,666,491	14,803,046
Unrestricted	5,652,861	5,988,733	224,283	11,865,877
<b>Total Net Position</b>	<b>10,105,818</b>	<b>13,672,331</b>	<b>2,890,774</b>	<b>26,668,923</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 11,797,343</b>	<b>\$ 15,123,779</b>	<b>\$ 3,826,344</b>	<b>\$ 30,747,466</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, 2017	Waste Water Fund	Water Fund	Nonmajor Enterprise Funds	Totals
<b>Operating Revenues</b>				
Charges for current services:				
Waste water and water charges	\$ 3,152,427	\$ 2,212,746	\$ -	\$ 5,365,173
Permits and fees	-	-	458,409	458,409
Rental revenue	-	-	214,768	214,768
Other revenue	-	-	26,447	26,447
<b>Total Operating Revenues</b>	<b>3,152,427</b>	<b>2,212,746</b>	<b>699,624</b>	<b>6,064,797</b>
<b>Operating Expenses</b>				
Cost of power and transportation	271,717	332,410	80,594	684,721
Maintenance, operations, and administration	1,784,503	1,010,620	480,975	3,276,098
Depreciation expense	333,612	275,236	194,591	803,439
<b>Total Operating Expenses</b>	<b>2,389,832</b>	<b>1,618,266</b>	<b>756,160</b>	<b>4,764,258</b>
<b>Operating Income (Loss)</b>	<b>762,595</b>	<b>594,480</b>	<b>(56,536)</b>	<b>1,300,539</b>
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental revenues	-	-	552,257	552,257
Property taxes	-	-	71,582	71,582
Investment income	54,271	73,396	7,494	135,161
Interest expense	(7,601)	(12,580)	(1,392)	(21,573)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>46,670</b>	<b>60,816</b>	<b>629,941</b>	<b>737,427</b>
<b>Income Before Operating Transfers</b>	<b>809,265</b>	<b>655,296</b>	<b>573,405</b>	<b>2,037,966</b>
Transfers in	-	-	92,255	92,255
Transfers out	(332,926)	(255,559)	(116,710)	(705,195)
<b>Change in Net Position</b>	<b>476,339</b>	<b>399,737</b>	<b>548,950</b>	<b>1,425,026</b>
<b>Total Net Position - Beginning of Year</b>	<b>9,629,479</b>	<b>13,272,594</b>	<b>2,341,824</b>	<b>25,243,897</b>
<b>Total Net Position - End of Year</b>	<b>\$ 10,105,818</b>	<b>\$ 13,672,331</b>	<b>\$ 2,890,774</b>	<b>\$ 26,668,923</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, 2017	Waste Water Fund	Water Fund	Nonmajor Enterprise Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 3,028,619	\$ 2,108,300	\$ 702,357	\$ 5,839,276
Cash paid to employees (including employee benefits)	(610,391)	(621,627)	(357,238)	(1,589,256)
Cash paid to suppliers	(1,358,239)	(640,985)	(284,648)	(2,283,872)
<b>Net Cash Provided by Operating Activities</b>	<b>1,059,989</b>	<b>845,688</b>	<b>60,471</b>	<b>1,966,148</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property taxes received	-	-	71,582	71,582
Cash received from (paid to) other funds	-	721,058	2,737	723,795
Transfers in	-	-	92,255	92,255
Transfers out	(332,926)	(255,559)	(116,710)	(705,195)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(332,926)</b>	<b>465,499</b>	<b>49,864</b>	<b>182,437</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Intergovernmental revenue received	-	-	527,544	527,544
Payments for the purchase of capital assets	(182,342)	(350,744)	(516,254)	(1,049,340)
Principal paid	(133,065)	-	-	(133,065)
Interest paid	(9,693)	(12,623)	(1,372)	(23,688)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(325,100)</b>	<b>(363,367)</b>	<b>9,918</b>	<b>(678,549)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	53,039	72,144	7,280	132,463
<b>Net Cash Provided by Investing Activities</b>	<b>53,039</b>	<b>72,144</b>	<b>7,280</b>	<b>132,463</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>455,002</b>	<b>1,019,964</b>	<b>127,533</b>	<b>1,602,499</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>5,734,544</b>	<b>5,584,266</b>	<b>792,380</b>	<b>12,111,190</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 6,189,546</b>	<b>\$ 6,604,230</b>	<b>\$ 919,913</b>	<b>\$ 13,713,689</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, 2017	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)	\$ 762,595	\$ 594,480	\$ (56,536)	\$ 1,300,539
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	333,612	275,236	194,591	803,439
Changes in:				
Accounts receivable	(123,808)	(112,406)	2,502	(233,712)
Prepaid expenses	10,920	-	-	10,920
Deferred outflows from pensions	21,874	16,266	27,963	66,103
Accounts payable	15,296	(11,853)	10,701	14,144
Accrued payroll and benefits	1,747	3,919	2,772	8,438
Customer/employee deposits	-	7,960	231	8,191
Other liabilities	(217)	(55)	11,362	11,090
Net pension liability	368,636	387,686	99,290	855,612
Compensated absences payable	(34,196)	(11,001)	(13,518)	(58,715)
Deferred inflows from pensions	(296,470)	(304,544)	(218,887)	(819,901)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,059,989</b>	<b>\$ 845,688</b>	<b>\$ 60,471</b>	<b>\$ 1,966,148</b>

*The accompanying notes are an integral part of these 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.

**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 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. However, interfund services provided and used are not eliminated in the process of consolidation. 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.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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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.

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.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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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.

**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 budgeted 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.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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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, 2017, for the water and waste water departments were \$1,180 and \$2,806, respectively.

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."

# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**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 or restricted fund balance, and noncurrent portions of interest receivable are offset by a deferred inflow of resources amount.

**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 acquisition 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.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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***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. 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.

For the City's pension plan, City contributions subsequent to the measurement date, differences between expected and actual experience, differences due to changes in assumptions, differences due to differences in proportions, differences between projected and actual earnings on plan investments and differences between projected and actual contributions are reported as deferred outflows/inflows 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. Differences between expected and actual experience, changes in assumptions, differences in proportions, and differences between projected and actual contributions are amortized over the estimated service lives of the pension plan participants. Difference between projected and actual earnings on pension plan investments 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.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**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.

*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 \$10,620,467 of restricted net position, of which \$5,724,690 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.

# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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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.

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, 2017

Cash in banks and on hand	\$	1,344,011
Umpqua public funds money market account		7,813,170
Certificates of deposit		8,921,000
State of California - Local Agency Investment Fund (LAIF)		4,626,868
<b>Total Cash and Cash Equivalents</b>	<b>\$</b>	<b>22,705,049</b>

### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code has provisions for financial institutions that limit custodial credit risk for deposits. Financial institutions are required to secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the

# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City's financial institutions also have insurance through the Federal Depository Insurance Corporation (FDIC). The City's investment policy has no additional provisions for limiting custodial credit risk for deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments; however, it is the practice of the City Treasurer that all investments are insured, registered or held by the Treasurer's custodial agent 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.

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, 2017, 2.89% of LAIF's investment portfolio was invested in structured notes and other asset-backed securities. In addition, PMIA's weighted average maturities was 0.72 years at June 30, 2017. (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

Investment activity is summarized as follows:

June 30, 2017	Amortized Cost	Face Value	Interest Rate	Maturity Date
Federal Farm Credit Bank	\$ 1,001,540	\$ 1,000,000	1.17%	January 13, 2020

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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#### 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, 2017, 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, 2017	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Nondepreciable Capital Assets</b>					
Land	\$ 305,206	\$ -	\$ -	\$ -	305,206
Construction in progress	719,179	384,884	-	(366,525)	737,538
<b>Total Nondepreciable Capital Assets</b>	<b>1,024,385</b>	<b>384,884</b>	<b>-</b>	<b>(366,525)</b>	<b>1,042,744</b>
<b>Depreciable Capital Assets</b>					
Buildings	1,986,188	-	-	-	1,986,188
Improvements	3,084,091	58,886	-	366,525	3,509,502
Equipment	2,022,247	119,631	-	-	2,141,878
Vehicles	3,103,002	22,870	318,276	-	2,807,596
Infrastructure	52,850,639	-	-	-	52,850,639
<b>Total Depreciable Capital Assets</b>	<b>63,046,167</b>	<b>201,387</b>	<b>318,276</b>	<b>366,525</b>	<b>63,295,803</b>
<b>Less: Accumulated Depreciation</b>					
Buildings	1,817,697	17,640	-	-	1,835,337
Improvements	1,762,837	170,275	-	-	1,933,112
Equipment	1,643,968	99,803	-	-	1,743,771
Vehicles	2,771,385	86,003	318,276	-	2,539,112
Infrastructure	28,167,997	1,300,961	-	-	29,468,958
<b>Total Less: Accumulated Depreciation</b>	<b>36,163,884</b>	<b>1,674,682</b>	<b>318,276</b>	<b>-</b>	<b>37,520,290</b>
<b>Depreciable Capital Assets - Net</b>	<b>26,882,283</b>	<b>(1,473,295)</b>	<b>-</b>	<b>366,525</b>	<b>25,775,513</b>
<b>Governmental Capital Assets - Net</b>	<b>\$ 27,906,668</b>	<b>\$ (1,088,411)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>26,818,257</b>

Depreciation expense was charged to functions as follows:

Year Ended June 30, 2017

<b>Governmental Activities</b>	
General Government	\$ 56,425
Fire	30,054
Police	105,318
Parks and recreation	129,471
Transportation and streets	1,353,414
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 1,674,682</b>

# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### Business-Type Activities:

Year Ended June 30, 2017	Balance	Additions	Deletions	Transfers	Balance
<b>Nondepreciable Capital Assets</b>					
Land	\$ 910,368	\$ -	\$ -	\$ -	910,368
Construction in progress	323,833	602,506	-	-	926,339
<b>Total Nondepreciable Capital Assets</b>	<b>1,234,201</b>	<b>602,506</b>	<b>-</b>	<b>-</b>	<b>1,836,707</b>
<b>Depreciable Capital Assets</b>					
Buildings	1,897,667	-	-	-	1,897,667
Improvements	17,273,054	85,284	-	-	17,358,338
Equipment	932,098	361,550	-	-	1,293,648
Vehicles	686,255	-	29,959	-	656,296
Infrastructure	13,050,370	-	-	-	13,050,370
<b>Total Depreciable Capital Assets</b>	<b>33,839,444</b>	<b>446,834</b>	<b>29,959</b>	<b>-</b>	<b>34,256,319</b>
<b>Less: Accumulated Depreciation</b>					
Buildings	1,311,883	12,646	-	-	1,324,529
Improvements	9,556,912	510,095	-	-	10,067,007
Equipment	870,111	25,546	-	-	895,657
Vehicles	670,858	10,500	29,959	-	651,399
Infrastructure	7,692,976	244,652	-	-	7,937,628
<b>Total Less: Accumulated Depreciation</b>	<b>20,102,740</b>	<b>803,439</b>	<b>29,959</b>	<b>-</b>	<b>20,876,220</b>
<b>Depreciable Capital Assets - Net</b>	<b>13,736,704</b>	<b>(356,605)</b>	<b>-</b>	<b>-</b>	<b>13,380,099</b>
<b>Business-Type Capital Assets - Net</b>	<b>\$ 14,970,905</b>	<b>\$ 245,901</b>	<b>\$ -</b>	<b>\$ -</b>	<b>15,216,806</b>

Depreciation expense was charged to functions as follows:

Year Ended June 30, 2017

### Business-Type Activities

Building	\$ 1,500
Waste water	333,612
Water	275,236
Airport	192,445
Community center	646
<b>Total Business-Type Activities Depreciation Expense</b>	<b>\$ 803,439</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, 2017	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Loans payable:					
CalPERS Refunding loan	\$ 1,095,000	\$ -	\$ 245,000	\$ 850,000	\$ 263,000
Capital leases:					
Dell lease agreement	21,920	-	9,920	12,000	8,739
<b>Total Financing Leases</b>	<b>21,920</b>	<b>-</b>	<b>9,920</b>	<b>12,000</b>	<b>8,739</b>
Other liabilities:					
Compensated absences	1,205,356	568,157	585,425	1,188,088	297,023
Other postemployment benefits	816,917	152,453	20,160	949,210	-
Net pension liability	8,573,756	2,633,599	-	11,207,355	-
<b>Total Other Liabilities</b>	<b>10,596,029</b>	<b>3,354,209</b>	<b>605,585</b>	<b>13,344,653</b>	<b>297,023</b>
<b>Total Governmental Activities</b>	<b>11,712,949</b>	<b>3,354,209</b>	<b>860,505</b>	<b>14,206,653</b>	<b>568,762</b>
<b>Business-Type Activities</b>					
Loans payable:					
State Revolving Fund loan	546,825	-	133,065	413,760	135,463
Other liabilities:					
Compensated absences	226,106	25,150	83,865	167,391	41,848
Net pension liability	1,686,795	855,612	-	2,542,407	-
<b>Total Other Liabilities</b>	<b>1,912,901</b>	<b>880,762</b>	<b>83,865</b>	<b>2,709,798</b>	<b>41,848</b>
<b>Total Business-Type Activities</b>	<b>2,459,726</b>	<b>880,762</b>	<b>216,930</b>	<b>3,123,558</b>	<b>177,311</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 14,172,675</b>	<b>\$ 4,234,971</b>	<b>\$ 1,077,435</b>	<b>\$ 17,330,211</b>	<b>\$ 746,073</b>

**Loans**

***CalPERS Refunding Loan***

During the year ended June 30 2013, a CalPERS refunding loan with US Bank 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 \$285,307, while total pledged revenues were \$10,480,892. Total principal and interest remaining on the loan is \$909,631, 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 \$3,152,427. Total principal and interest remaining on the loan is \$428,769 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 \$32,770 as of June 30, 2017. 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 \$10,689. Total remaining payments under the lease are \$12,375 including interest in the amount of \$375. The present value of the remaining payments is \$12,000.

Amortization of leased assets is included with depreciation expense.

#### **Compensated Absences, Other Postemployment Benefits and Net Pension Liability**

Generally liabilities for compensated absences, other postemployment benefits, and net pension liability are liquidated in the funds which pay the related salaries of City employees. The General Fund accounts for most of the amounts as most City employees work under the general fund including police and fire employees. Other funds which are used to liquidate these liabilities include the Transportation Fund, Waste Water Fund, Water Fund, and Community Development Fund.

**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, 2017, were as follows:

Year Ending June 30		<b>Governmental Activities</b>
2018	\$	9,086
2019		3,289
<b>Total Minimum Lease Payments</b>		<b>12,375</b>
Less: Amount representing interest		(375)
<b>Present Value of Minimum Lease Payments</b>	<b>\$</b>	<b>12,000</b>

**Long-Term Debt Summary****Governmental Activities:**

Year Ending June 30		<b>Principal</b>		<b>Interest</b>		<b>Total</b>
2018	\$	271,739	\$	30,942	\$	302,681
2019		286,261		20,172		306,433
2020		304,000		8,892		312,892
<b>Total</b>	<b>\$</b>	<b>862,000</b>	<b>\$</b>	<b>60,006</b>	<b>\$</b>	<b>922,006</b>

**Business-Type Activities:**

Year Ending June 30		<b>Principal</b>		<b>Interest</b>		<b>Total</b>
2018	\$	135,463	\$	7,460	\$	142,923
2019		137,906		5,017		142,923
2020		140,391		2,531		142,922
<b>Total</b>	<b>\$</b>	<b>413,760</b>	<b>\$</b>	<b>15,008</b>	<b>\$</b>	<b>428,768</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, 2017, on long-term debt was \$50,938. 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, 2017, was \$153,540, interest on the net OPEB obligation was \$36,761, the adjustment to the Annual Required Contribution (ARC) for the year was \$(37,848), and contributions made by the City during the year were \$20,160, which resulted in a net increase in the OPEB obligation of \$132,293 and an ending OPEB obligation of \$949,210. 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, 2017, 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, 2017, including incurred but not reported claims (IBNRs). Claims paid for the workers' compensation and general liability programs for the fiscal year ended June 30, 2017, were \$219,732 and \$21,189, respectively.

As of June 30, 2017, the JPA reported that the City had a surplus in the workers' compensation program in the amount of \$22,204. This amount has not been included in the City's government financial statements. In addition, the JPA reported that the City had a surplus in its general liability program in the amount of \$229,832. 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, 2017	Due From Other Funds	Due to Other Funds	Internal Balances
<b>Governmental Activities</b>			
General Fund	\$ 11,453	\$ -	\$ 11,453
Grants/Program Income	-	5,908	(5,908)
Nonmajor governmental	5,908	51,725	(45,817)
<b>Total Governmental Activities</b>	<b>17,361</b>	<b>57,633</b>	<b>(40,272)</b>
<b>Business-Type Activities</b>			
Water	182,165	-	182,165
Nonmajor enterprise	-	141,893	(141,893)
<b>Total Business-Type Activities</b>	<b>182,165</b>	<b>141,893</b>	<b>40,272</b>
<b>Total Government-Wide Statement</b>	<b>\$ 199,526</b>	<b>\$ 199,526</b>	<b>\$ -</b>

Interfund balances typically result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, or (4) revenue earned by the Fund is not received until just after the end of the fiscal year, normally 90 days. All of these interfund balances are anticipated to be paid back completely within the next fiscal year.

# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### Transfers

The following is a summary of transfers:

Year Ended June 30, 2017	Transfers In	Transfers Out	Net Transfers
<b>Governmental Activities</b>			
General	\$ 760,265	\$ 120,123	\$ 640,142
Nonmajor governmental	194,027	221,229	(27,202)
<b>Total Governmental Activities</b>	<b>954,292</b>	<b>341,352</b>	<b>612,940</b>
<b>Business-Type Activities</b>			
Waste water	-	332,926	(332,926)
Water	-	255,559	(255,559)
Nonmajor enterprise	92,255	116,710	(24,455)
<b>Total Business-Type Activities</b>	<b>92,255</b>	<b>705,195</b>	<b>(612,940)</b>
<b>Total Government-Wide Statement</b>	<b>\$ 1,046,547</b>	<b>\$ 1,046,547</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

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, 2017 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	8.88%	6.56%

<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	19.54%	17.69%	12.08%

<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	15.74%	12.08%

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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#### 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, 2017 were \$225,353 and \$453,751, for the Miscellaneous and Safety plans, respectively.

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

At June 30, 2017, the City reported a net pension liability of \$13,749,762 for its proportionate share of the net pension liability. This breakdown of the net pension liability between the miscellaneous and safety is \$5,432,492 and \$8,317,270, respectively. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating cities and the State, actuarially determined. At June 30, 2015, the City's employer allocation factor was 0.0017355 for the miscellaneous plans and 0.0016498 for the safety plans.

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

For the year ended June 30, 2017, the City recognized pension expense of \$798,981. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2017	Deferred Outflows Resources	Deferred Inflows Resources
Deferred contributions	\$ 679,104	\$ -
Differences between expected and actual experience	8,431	52,259
Differences due to changes in actuarial assumptions	-	299,190
Differences due to differences in proportions	1,338,233	357,054
Differences between projected and actual earnings on pension plan investments	1,493,182	-
Differences between projected and actual contributions	63,608	1,114,884
<b>Total</b>	<b>\$ 3,582,558</b>	<b>\$ 1,823,387</b>

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

An amount of \$679,104 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Year Ending June 30	
2018	\$ (87,011)
2019	(27,774)
2020	806,678
2021	388,174
2022	-
Thereafter	-
<b>Total</b>	<b>\$ 1,080,067</b>

#### Actuarial Assumptions

The total pension liability in the June 30, 2015, actuarial valuation for each plan for CalPERS was determined using the following actuarial assumptions, applied to all periods included in the measurement:

June 30, 2017

Valuation date	June 30, 2015
Measurement date	June 30, 2016
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Discount rate	7.65%
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, 2015, valuation were derived from the June 30, 2012, funding valuation report.

## City of Red Bluff

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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#### Discount Rate

The discount rate used to measure the total pension liability was 7.65% 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	51%	5.25%	5.71%
Global fixed income	20%	1.00%	2.40%
Real estate	12%	4.50%	5.10%
Private equity	10%	6.80%	7.00%
Inflation sensitive	6%	0.50%	3.40%
Liquidity	1%	-0.60%	-1.10%
<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 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Plan's Net Pension Liability - Miscellaneous	\$ 8,796,468	\$ 5,432,492	\$ 2,652,333
Plan's Net Pension Liability - Safety	12,563,645	8,317,270	4,831,431
<b>Total</b>	<b>\$ 21,360,113</b>	<b>\$ 13,749,762</b>	<b>\$ 7,483,764</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)

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#### 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, 2017, membership of the Plan consists of 11 retirees currently receiving benefits and 87 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, 2017, the City paid \$20,160 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 an open 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, 2017

Annual Required Contribution (ARC)	\$	153,540
Interest on obligation		36,761
Adjustment to ARC		(37,848)
<b>Annual OPEB Cost for the Year</b>		<b>152,453</b>
Contributions made for the year		(20,160)
<b>Increase in Net OPEB Obligation</b>		<b>132,293</b>
<b>Net OPEB Obligation - Beginning of the Year</b>		<b>816,917</b>
<b>Net OPEB Obligation - End of Year</b>	\$	<b>949,210</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		2017		2016		2015
Annual OPEB cost	\$	152,453	\$	131,501	\$	135,980
Percentage of annual OPEB costs contributed		13.22%		15.61%		16.18%
Net OPEB obligation - end of year	\$	949,210	\$	816,917	\$	705,948

### Funding Status and Funding Progress

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

	July 1, 2016
Actuarial accrued liability (AAL)	\$ 1,253,263
Actuarial value of plan assets	-
<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>\$ 1,253,263</b>
Actuarial value of plan assets as a percentage of AAL	0%
Covered payroll	\$ 5,833,744
<b>UAAL as Percentage of Covered Payroll</b>	<b>21.48%</b>

As of June 30, 2017, the City has not set aside any amounts in an external trust fund.

Actuarial Valuation Date	Actuarial 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 01, 2013	\$ 1,102,280	\$ -	\$ 1,102,280	0.0%	\$ 4,854,897	22.7%
July 01, 2016	\$ 1,253,263	\$ -	\$ 1,253,263	0.0%	\$ 5,833,744	21.4%

### 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, 2016, actuarial valuation, the entry-age normal cost method was used. The actuarial assumptions included a 4.5% discount rate, 2.75% price inflation, 2.0% 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, 2017

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**Governmental Funds**

Fire Protection Capital Improvement Fund	\$	40,290
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**Enterprise Funds**

Community Center Fund	\$	266,773
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# City of Red Bluff

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Fund balances are composed of the following:

June 30, 2017	Nonspendable	Restricted	Committed	Assigned
<b>General Fund:</b>				
Contingency	\$ 1,524	\$ -	\$ -	2,953,000
<b>Traffic Control:</b>				
Traffic Control Impact Fee	-	2,464,610	-	87,054
<b>Grants/Program Income Fund:</b>				
Long-term receivables	-	3,943,780	-	-
Grants	-	110,476	-	12,658
<b>Other Governmental Funds:</b>				
Water Capital Impact Fees	-	932,920	-	28,129
Waste Water Facility Impact Fees	-	941,307	-	27,271
Waste Water Collection Impact Fees	-	838,291	-	23,489
Transportation	-	120,030	-	19,730
Grants	-	197,163	-	101
Flood Protection Impact Fees	-	192,794	-	8,445
PEG Fees	-	195,870	-	5,690
Prop 30 (Public Safety) Revenue	-	61,676	-	1,904
City Admin and Equipment Impact Fees	-	23,672	-	3,708
Airport Impact Fees	-	60,187	-	1,516
Meadow Brook Street Fees	-	41,418	-	1,597
Park Capital Improvement Fees	-	61,178	-	1,322
ISTEA/RSTP Revenue	-	117,450	-	878
Local Transportation	-	61,174	-	1,166
Police Protection Impact Fees	-	28,471	-	326
Broadcast Labor Fees	-	1,850	-	543
Asset Forfeiture	-	623	-	-
Waste Water Treatment Plant Capital Reserves	-	-	813,210	27,448
Transportation - City Design Fees	-	-	125,645	6,864
General Plan Update	-	-	85,113	3,232
<b>Total</b>	\$ 1,524	\$ 10,394,940	\$ 1,023,968	\$ 3,216,071

### 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.

In 2015, the two Agencies combined to form the Tehama County Solid Waste Management Agency. Complete financial statements for the Agency may be obtained from the Agency.

## **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, 2017, the City had \$0 outstanding in the form of contracts and/or purchase orders for construction.

#### **14. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2017, expenditures exceeded appropriations in none of the major special revenue funds.

#### **15. FUTURE GASB IMPLEMENTATION**

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

<b>Miscellaneous</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
City's proportion of the net pension liability (asset)	0.15638%	0.14010%	0.05814%
City's proportionate share of the net pension liability (asset)	\$ 5,432,492	\$ 3,842,872	\$ 3,617,616
City's covered-employee payroll	\$ 2,600,676	\$ 2,502,239	\$ 2,291,278
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	208.89%	153.58%	157.89%
Plan fiduciary net position as a percentage of the total pension liability	78.26%	78.40%	84.35%
<b>Safety</b>			
City's proportion of the net pension liability (asset)	0.16059%	0.15580%	0.08912%
City's proportionate share of the net pension liability (asset)	\$ 8,317,270	\$ 6,417,679	\$ 5,545,207
City's covered-employee payroll	\$ 2,492,878	\$ 2,332,037	\$ 2,220,989
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	333.64%	275.20%	367.05%
Plan fiduciary net position as a percentage of the total pension liability	73.41%	78.40%	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, 2017</b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Contractually required contribution	\$ 201,977	\$ 235,886	\$ 201,470
Contributions in relation to the contractually required contribution	(201,977)	(235,886)	(201,470)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,600,676	\$ 2,502,239	\$ 2,291,278
Contributions as a percentage of covered-employee payroll	7.77%	9.43%	8.79%
<b>Safety</b>			
Contractually required contribution	\$ 368,918	\$ 638,660	\$ 538,795
Contributions in relation to the contractually required contribution	(368,918)	(638,660)	(538,795)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,492,878	\$ 2,332,037	\$ 2,220,989
Contributions as a percentage of covered-employee payroll	14.80%	27.39%	24.26%

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

## **City of Red Bluff**

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

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Required supplementary information schedules are intended to report information for ten years. Additional years' information will be displayed as it becomes available.

#### **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.

**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, 2017	Special Revenue				
	Traffic Safety Fund	Charter - PEG Fees Fund	Public Safety Fund	Broadcasting Labor Fund	Balance Forward
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 196,528	\$ -	\$ 2,392	\$ 198,920
Receivables:					
Accounts	-	4,942	-	-	4,942
Interest	12	90	46	1	149
Loans	-	-	-	-	-
Due from other governments	6,729	-	4,666	-	11,395
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 6,741</b>	<b>\$ 201,560</b>	<b>\$ 4,712</b>	<b>\$ 2,393</b>	<b>\$ 215,406</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Due to other funds	6,741	-	4,712	-	11,453
<b>Total Liabilities</b>	<b>6,741</b>	<b>-</b>	<b>4,712</b>	<b>-</b>	<b>11,453</b>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	195,870	-	1,850	197,720
Committed	-	-	-	-	-
Assigned	-	5,690	-	543	6,233
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>-</b>	<b>201,560</b>	<b>-</b>	<b>2,393</b>	<b>203,953</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,741</b>	<b>\$ 201,560</b>	<b>\$ 4,712</b>	<b>\$ 2,393</b>	<b>\$ 215,406</b>

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

June 30, 2017	Special Revenue				
	Balance Brought Forward	Proposition 30 Fund	Asset Forfeiture Fund	Local Transportation Fund	Balance Forward
<b>ASSETS</b>					
Cash and cash equivalents	\$ 198,920	\$ 64,007	\$ 623	\$ 72,775	\$ 336,325
Receivables:					
Accounts	4,942	-	-	-	4,942
Interest	149	29	-	28	206
Loans	-	-	-	-	-
Due from other governments	11,395	-	-	-	11,395
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 215,406</b>	<b>\$ 64,036</b>	<b>\$ 623</b>	<b>\$ 72,803</b>	<b>\$ 352,868</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 456	\$ -	\$ 10,462	\$ 10,918
Accrued payroll and benefits	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	-	-	-	1	1
Due to other funds	11,453	-	-	-	11,453
<b>Total Liabilities</b>	<b>11,453</b>	<b>456</b>	<b>-</b>	<b>10,463</b>	<b>22,372</b>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	197,720	61,676	623	61,174	321,193
Committed	-	-	-	-	-
Assigned	6,233	1,904	-	1,166	9,303
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>203,953</b>	<b>63,580</b>	<b>623</b>	<b>62,340</b>	<b>330,496</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 215,406</b>	<b>\$ 64,036</b>	<b>\$ 623</b>	<b>\$ 72,803</b>	<b>\$ 352,868</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, 2017					
<b>ASSETS</b>					
Cash and cash equivalents	\$ 336,325	\$ -	\$ 23,166	\$ 289,140	\$ 648,631
Receivables:					
Accounts	4,942	-	-	-	4,942
Interest	206	-	54	102	362
Loans	-	-	-	-	-
Due from other governments	11,395	-	95,108	107,727	214,230
Due from other funds	-	-	-	5,908	5,908
<b>TOTAL ASSETS</b>	<b>\$ 352,868</b>	<b>\$ -</b>	<b>\$ 118,328</b>	<b>\$ 402,877</b>	<b>\$ 874,073</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 10,918	\$ -	\$ -	\$ 5,000	\$ 15,918
Accrued payroll and benefits	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	1	-	-	200,613	200,614
Due to other funds	11,453	-	-	-	11,453
<b>Total Liabilities</b>	<b>22,372</b>	<b>-</b>	<b>-</b>	<b>205,613</b>	<b>227,985</b>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	321,193	-	117,450	197,163	635,806
Committed	-	-	-	-	-
Assigned	9,303	-	878	101	10,282
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>330,496</b>	<b>-</b>	<b>118,328</b>	<b>197,264</b>	<b>646,088</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 352,868</b>	<b>\$ -</b>	<b>\$ 118,328</b>	<b>\$ 402,877</b>	<b>\$ 874,073</b>

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

June 30, 2017	Special Revenue		
	Balance Brought Forward	Transportation Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 648,631	\$ 140,652	\$ 789,283
Receivables:			
Accounts	4,942	6,429	11,371
Interest	362	9	371
Loans	-	-	-
Due from other governments	214,230	-	214,230
Due from other funds	5,908	-	5,908
<b>TOTAL ASSETS</b>	<b>\$ 874,073</b>	<b>\$ 147,090</b>	<b>\$ 1,021,163</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 15,918	\$ 2,198	\$ 18,116
Accrued payroll and benefits	-	4,919	4,919
Accrued interest payable	-	-	-
Other liabilities	200,614	213	200,827
Due to other funds	11,453	-	11,453
<b>Total Liabilities</b>	<b>227,985</b>	<b>7,330</b>	<b>235,315</b>
<b>Fund Balances (Deficit)</b>			
Nonspendable	-	-	-
Restricted	635,806	120,030	755,836
Committed	-	-	-
Assigned	10,282	19,730	30,012
Unassigned	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>646,088</b>	<b>139,760</b>	<b>785,848</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 874,073</b>	<b>\$ 147,090</b>	<b>\$ 1,021,163</b>

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

June 30, 2017	Capital Projects				Balance Forward
	General Plan Update Fund	Transportation City Design Fund	Waste Water Treatment Plant Capital Reserve Fund	Flood Protection Capital Improvement Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 88,305	\$ 132,449	\$ 840,275	\$ 201,147	\$ 1,262,176
Receivables:					
Accounts	-	-	-	-	-
Interest	40	60	383	92	575
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 88,345</b>	<b>\$ 132,509</b>	<b>\$ 840,658</b>	<b>\$ 201,239</b>	<b>\$ 1,262,751</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	192,794	192,794
Committed	85,113	125,645	813,210	-	1,023,968
Assigned	3,232	6,864	27,448	8,445	45,989
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>88,345</b>	<b>132,509</b>	<b>840,658</b>	<b>201,239</b>	<b>1,262,751</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 88,345</b>	<b>\$ 132,509</b>	<b>\$ 840,658</b>	<b>\$ 201,239</b>	<b>\$ 1,262,751</b>

# City of Red Bluff

## COMBINING BALANCE SHEET – 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
June 30, 2017					
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,262,176	\$ -	\$ 28,784	\$ 27,367	\$ 1,318,327
Receivables:					
Accounts	-	-	-	-	-
Interest	575	-	13	13	601
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,262,751</b>	<b>\$ -</b>	<b>\$ 28,797</b>	<b>\$ 27,380</b>	<b>\$ 1,318,928</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	-
Accrued payroll and benefits	-	-	-	-	-
Accrued interest payable	-	18	-	-	18
Other liabilities	-	-	-	-	-
Due to other funds	-	40,272	-	-	40,272
<b>Total Liabilities</b>	<b>-</b>	<b>40,290</b>	<b>-</b>	<b>-</b>	<b>40,290</b>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	192,794	-	28,471	23,672	244,937
Committed	1,023,968	-	-	-	1,023,968
Assigned	45,989	-	326	3,708	50,023
Unassigned	-	(40,290)	-	-	(40,290)
<b>Total Fund Balances (Deficit)</b>	<b>1,262,751</b>	<b>(40,290)</b>	<b>28,797</b>	<b>27,380</b>	<b>1,278,638</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,262,751</b>	<b>\$ -</b>	<b>\$ 28,797</b>	<b>\$ 27,380</b>	<b>\$ 1,318,928</b>

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

June 30, 2017	Capital Projects					Balance Forward
	Balance Brought Forward	Meadowbrook Street Capital Projects Fund	Waste Water Treatment Plant Capital Improvement Fund	Waste Water Collection System Capital Improvement Fund		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,318,327	\$ 42,995	\$ 968,136	\$ 861,387	\$	3,190,845
Receivables:						
Accounts	-	-	-	-		-
Interest	601	20	442	393		1,456
Loans	-	-	-	-		-
Due from other governments	-	-	-	-		-
Due from other funds	-	-	-	-		-
<b>TOTAL ASSETS</b>	<b>\$ 1,318,928</b>	<b>\$ 43,015</b>	<b>\$ 968,578</b>	<b>\$ 861,780</b>	<b>\$</b>	<b>3,192,301</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	-
Accrued payroll and benefits	-	-	-	-		-
Accrued interest payable	18	-	-	-		18
Other liabilities	-	-	-	-		-
Due to other funds	40,272	-	-	-		40,272
<b>Total Liabilities</b>	<b>40,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,290</b>
<b>Fund Balances (Deficit)</b>						
Nonspendable	-	-	-	-		-
Restricted	244,937	41,418	941,307	838,291		2,065,953
Committed	1,023,968	-	-	-		1,023,968
Assigned	50,023	1,597	27,271	23,489		102,380
Unassigned	(40,290)	-	-	-		(40,290)
<b>Total Fund Balances (Deficit)</b>	<b>1,278,638</b>	<b>43,015</b>	<b>968,578</b>	<b>861,780</b>	<b></b>	<b>3,152,011</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,318,928</b>	<b>\$ 43,015</b>	<b>\$ 968,578</b>	<b>\$ 861,780</b>	<b>\$</b>	<b>3,192,301</b>

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

June 30, 2017	Capital Projects					Balance Forward
	Balance Brought Forward	Water Capital Improvement Fund	Airport Capital Improvement Fund	Parks and Recreation Facilities Capital Improvement Fund		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,190,845	\$ 960,610	\$ 61,686	\$ 62,471	\$	4,275,612
Receivables:						
Accounts	-	-	-	-		-
Interest	1,456	439	17	29		1,941
Loans	-	-	-	-		-
Due from other governments	-	-	-	-		-
Due from other funds	-	-	-	-		-
<b>TOTAL ASSETS</b>	<b>\$ 3,192,301</b>	<b>\$ 961,049</b>	<b>\$ 61,703</b>	<b>\$ 62,500</b>	<b>\$</b>	<b>4,277,553</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	-
Accrued payroll and benefits	-	-	-	-		-
Accrued interest payable	18	-	-	-		18
Other liabilities	-	-	-	-		-
Due to other funds	40,272	-	-	-		40,272
<b>Total Liabilities</b>	<b>40,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,290</b>
<b>Fund Balances (Deficit)</b>						
Nonspendable	-	-	-	-		-
Restricted	2,065,953	932,920	60,187	61,178		3,120,238
Committed	1,023,968	-	-	-		1,023,968
Assigned	102,380	28,129	1,516	1,322		133,347
Unassigned	(40,290)	-	-	-		(40,290)
<b>Total Fund Balances (Deficit)</b>	<b>3,152,011</b>	<b>961,049</b>	<b>61,703</b>	<b>62,500</b>		<b>4,237,263</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,192,301</b>	<b>\$ 961,049</b>	<b>\$ 61,703</b>	<b>\$ 62,500</b>	<b>\$</b>	<b>4,277,553</b>

# City of Red Bluff

## COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

(Continued)

June 30, 2017	Capital Projects		Total Nonmajor Governmental Funds
	Balance Brought Forward	Total	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,275,612	\$ 4,275,612	\$ 5,064,895
Receivables:			
Accounts	-	-	11,371
Interest	1,941	1,941	2,312
Loans	-	-	-
Due from other governments	-	-	214,230
Due from other funds	-	-	5,908
<b>TOTAL ASSETS</b>	<b>\$ 4,277,553</b>	<b>\$ 4,277,553</b>	<b>\$ 5,298,716</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 18,116
Accrued payroll and benefits	-	-	4,919
Accrued interest payable	18	18	18
Other liabilities	-	-	200,827
Due to other funds	40,272	40,272	51,725
<b>Total Liabilities</b>	<b>40,290</b>	<b>40,290</b>	<b>275,605</b>
<b>Fund Balances (Deficit)</b>			
Nonspendable	-	-	-
Restricted	3,120,238	3,120,238	3,876,074
Committed	1,023,968	1,023,968	1,023,968
Assigned	133,347	133,347	163,359
Unassigned	(40,290)	(40,290)	(40,290)
<b>Total Fund Balances (Deficit)</b>	<b>4,237,263</b>	<b>4,237,263</b>	<b>5,023,111</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,277,553</b>	<b>\$ 4,277,553</b>	<b>\$ 5,298,716</b>

# City of Red Bluff

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

Year Ended June 30, 2017	Special Revenue				
	Traffic Safety Fund	Charter - PEG Fees Fund	Public Safety Fund	Broadcasting Labor Fund	Balance Forward
<b>Revenues</b>					
Other taxes	\$ -	\$ -	94,283	\$ -	94,283
Fines, forfeitures, and penalties	21,226	-	-	-	21,226
Use of money and property	115	1,653	558	21	2,347
Intergovernmental revenue	-	-	-	-	-
Other revenues	-	19,560	-	-	19,560
<b>Total Revenues</b>	<b>21,341</b>	<b>21,213</b>	<b>94,841</b>	<b>21</b>	<b>137,416</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
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>21,341</b>	<b>21,213</b>	<b>94,841</b>	<b>21</b>	<b>137,416</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	(21,341)	-	(94,841)	-	(116,182)
<b>Total Other Financing Sources (Uses)</b>	<b>(21,341)</b>	<b>-</b>	<b>(94,841)</b>	<b>-</b>	<b>(116,182)</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>21,213</b>	<b>-</b>	<b>21</b>	<b>21,234</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>-</b>	<b>180,347</b>	<b>-</b>	<b>2,372</b>	<b>182,719</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ -</b>	<b>\$ 201,560</b>	<b>\$ -</b>	<b>\$ 2,393</b>	<b>\$ 203,953</b>

# City of Red Bluff

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

(Continued)

Year Ended June 30, 2017	Special Revenue				
	Balance Brought Forward	Proposition 30 Fund	Asset Forfeiture Fund	Local Transportation Fund	Balance Forward
<b>Revenues</b>					
Other taxes	\$ 94,283	\$ -	\$ -	\$ -	94,283
Fines, forfeitures, and penalties	21,226	-	-	-	21,226
Use of money and property	2,347	620	1	586	3,554
Intergovernmental revenue	-	-	-	219,727	219,727
Other revenues	19,560	-	622	-	20,182
<b>Total Revenues</b>	<b>137,416</b>	<b>620</b>	<b>623</b>	<b>220,313</b>	<b>358,972</b>
<b>Expenditures</b>					
Current:					
General government	-	5,632	-	-	5,632
Parks and recreation	-	-	-	-	-
Transportation and streets	-	-	-	181,571	181,571
Grants and program income	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	6,740	-	-	6,740
Interest	-	524	-	-	524
<b>Total Expenditures</b>	<b>-</b>	<b>12,896</b>	<b>-</b>	<b>181,571</b>	<b>194,467</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>137,416</b>	<b>(12,276)</b>	<b>623</b>	<b>38,742</b>	<b>164,505</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	(116,182)	-	-	-	(116,182)
<b>Total Other Financing Sources (Uses)</b>	<b>(116,182)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(116,182)</b>
<b>Net Change in Fund Balances</b>	<b>21,234</b>	<b>(12,276)</b>	<b>623</b>	<b>38,742</b>	<b>48,323</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>182,719</b>	<b>75,856</b>	<b>-</b>	<b>23,598</b>	<b>282,173</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 203,953</b>	<b>\$ 63,580</b>	<b>\$ 623</b>	<b>\$ 62,340</b>	<b>\$ 330,496</b>

# City of Red Bluff

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

	Special Revenue				
	Balance Brought Forward	Special Gas Tax Fund	ISTEA/RSTP Revenue Fund	Grants Fund	Balance Forward
Year Ended June 30, 2017					
<b>Revenues</b>					
Other taxes	\$ 94,283	\$ -	\$ -	\$ -	94,283
Fines, forfeitures, and penalties	21,226	-	-	-	21,226
Use of money and property	3,554	57	254	-	3,865
Intergovernmental revenue	219,727	273,656	97,649	24,161	615,193
Other revenues	20,182	2	-	53	20,237
<b>Total Revenues</b>	<b>358,972</b>	<b>273,715</b>	<b>97,903</b>	<b>24,214</b>	<b>754,804</b>
<b>Expenditures</b>					
Current:					
General government	5,632	-	-	-	5,632
Parks and recreation	-	-	-	-	-
Transportation and streets	181,571	311,910	-	-	493,481
Grants and program income	-	-	-	5,000	5,000
Capital outlay	-	-	3,604	24,161	27,765
Debt service:					
Principal	6,740	-	-	-	6,740
Interest	524	-	-	1,149	1,673
<b>Total Expenditures</b>	<b>194,467</b>	<b>311,910</b>	<b>3,604</b>	<b>30,310</b>	<b>540,291</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>164,505</b>	<b>(38,195)</b>	<b>94,299</b>	<b>(6,096)</b>	<b>214,513</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	(116,182)	-	-	-	(116,182)
<b>Total Other Financing Sources (Uses)</b>	<b>(116,182)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(116,182)</b>
<b>Net Change in Fund Balances</b>	<b>48,323</b>	<b>(38,195)</b>	<b>94,299</b>	<b>(6,096)</b>	<b>98,331</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>282,173</b>	<b>38,195</b>	<b>24,029</b>	<b>203,360</b>	<b>547,757</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 330,496</b>	<b>\$ -</b>	<b>\$ 118,328</b>	<b>\$ 197,264</b>	<b>\$ 646,088</b>

# City of Red Bluff

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

Year Ended June 30, 2017	Special Revenue		
	Balance Brought Forward	Transportation Fund	Total
<b>Revenues</b>			
Other taxes	\$ 94,283	\$ 70,093	\$ 164,376
Fines, forfeitures, and penalties	21,226	-	21,226
Use of money and property	3,865	1,216	5,081
Intergovernmental revenue	615,193	-	615,193
Other revenues	20,237	-	20,237
<b>Total Revenues</b>	<b>754,804</b>	<b>71,309</b>	<b>826,113</b>
<b>Expenditures</b>			
Current:			
General Government	5,632	-	5,632
Parks and recreation	-	-	-
Transportation and streets	493,481	263,802	757,283
Grants and program income	5,000	-	5,000
Capital outlay	27,765	89,209	116,974
Debt service:			
Principal	6,740	-	6,740
Interest	1,673	-	1,673
<b>Total Expenditures</b>	<b>540,291</b>	<b>353,011</b>	<b>893,302</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>214,513</b>	<b>(281,702)</b>	<b>(67,189)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	194,027	194,027
Transfers out	(116,182)	(105,047)	(221,229)
<b>Total Other Financing Sources (Uses)</b>	<b>(116,182)</b>	<b>88,980</b>	<b>(27,202)</b>
<b>Net Change in Fund Balances</b>	<b>98,331</b>	<b>(192,722)</b>	<b>(94,391)</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>547,757</b>	<b>332,482</b>	<b>880,239</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 646,088</b>	<b>\$ 139,760</b>	<b>\$ 785,848</b>

# City of Red Bluff

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

Year Ended June 30, 2017	Capital Projects					Balance Forward
	General Plan Update Fund	Transportation City Design Fund	Waste Water Treatment Plant Capital Reserve Fund	Flood Protection Capital Improvement Fund		
<b>Revenues</b>						
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	-
Fines, forfeitures, and penalties	-	-	-	-	-	-
Use of money and property	783	1,220	7,450	1,744		11,197
Intergovernmental revenue	-	-	-	-	-	-
Other revenues	-	-	-	8,069		8,069
<b>Total Revenues</b>	<b>783</b>	<b>1,220</b>	<b>7,450</b>	<b>9,813</b>		<b>19,266</b>
<b>Expenditures</b>						
Current:						
General government	-	14,815	-	-		14,815
Parks and recreation	-	-	-	-		-
Transportation and streets	-	-	-	-		-
Grants and program income	-	-	-	-		-
Capital outlay	-	-	-	5,957		5,957
Debt service:						
Principal	-	-	-	-		-
Interest	-	-	-	-		-
<b>Total Expenditures</b>	<b>-</b>	<b>14,815</b>	<b>-</b>	<b>5,957</b>		<b>20,772</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>783</b>	<b>(13,595)</b>	<b>7,450</b>	<b>3,856</b>		<b>(1,506)</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>783</b>	<b>(13,595)</b>	<b>7,450</b>	<b>3,856</b>		<b>(1,506)</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>87,562</b>	<b>146,104</b>	<b>833,208</b>	<b>197,383</b>		<b>1,264,257</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 88,345</b>	<b>\$ 132,509</b>	<b>\$ 840,658</b>	<b>\$ 201,239</b>		<b>\$ 1,262,751</b>

# 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, 2017					
<b>Revenues</b>					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Fines, forfeitures, and penalties	-	-	-	-	-
Use of money and property	11,197	-	146	527	11,870
Intergovernmental revenue	-	-	-	-	-
Other revenues	8,069	8,023	16,422	4,833	37,347
<b>Total Revenues</b>	<b>19,266</b>	<b>8,023</b>	<b>16,568</b>	<b>5,360</b>	<b>49,217</b>
<b>Expenditures</b>					
Current:					
General government	14,815	-	-	-	14,815
Parks and recreation	-	-	-	-	-
Transportation and streets	-	-	-	-	-
Grants and program income	-	-	-	-	-
Capital outlay	5,957	-	-	38,800	44,757
Debt service:					
Principal	-	-	-	-	-
Interest	-	412	-	-	412
<b>Total Expenditures</b>	<b>20,772</b>	<b>412</b>	<b>-</b>	<b>38,800</b>	<b>59,984</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,506)</b>	<b>7,611</b>	<b>16,568</b>	<b>(33,440)</b>	<b>(10,767)</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>(1,506)</b>	<b>7,611</b>	<b>16,568</b>	<b>(33,440)</b>	<b>(10,767)</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>1,264,257</b>	<b>(47,901)</b>	<b>12,229</b>	<b>60,820</b>	<b>1,289,405</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 1,262,751</b>	<b>\$ (40,290)</b>	<b>\$ 28,797</b>	<b>\$ 27,380</b>	<b>\$ 1,278,638</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	Waste Water Treatment Plant Capital Improvement Fund	Waste Water Collection System Capital Improvement Fund	Balance Forward
Year Ended June 30, 2017					
<b>Revenues</b>					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Fines, forfeitures, and penalties	-	-	-	-	-
Use of money and property	11,870	381	8,402	7,483	28,136
Intergovernmental revenue	-	-	-	-	-
Other revenues	37,347	-	27,807	23,862	89,016
<b>Total Revenues</b>	49,217	381	36,209	31,345	117,152
<b>Expenditures</b>					
Current:					
General government	14,815	-	-	-	14,815
Parks and recreation	-	-	-	-	-
Transportation and streets	-	-	-	-	-
Grants and program income	-	-	-	-	-
Capital outlay	44,757	-	-	-	44,757
Debt service:					
Principal	-	-	-	-	-
Interest	412	-	-	-	412
<b>Total Expenditures</b>	59,984	-	-	-	59,984
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(10,767)	381	36,209	31,345	57,168
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-
<b>Net Change in Fund Balances</b>	(10,767)	381	36,209	31,345	57,168
<b>Fund Balances (Deficit) - Beginning of Year</b>	1,289,405	42,634	932,369	830,435	3,094,843
<b>Fund Balances (Deficit) - End of Year</b>	\$ 1,278,638	\$ 43,015	\$ 968,578	\$ 861,780	\$ 3,152,011

# City of Red Bluff

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

	Capital Projects				
	Balance Brought Forward	Water Capital Improvement Fund	Airport Capital Improvement Fund	Parks and Recreation Facilities Capital Improvement Fund	Balance Forward
Year Ended June 30, 2017					
<b>Revenues</b>					
Other taxes	\$ -	\$ -	\$ -	\$ -	-
Fines, forfeitures, and penalties	-	-	-	-	-
Use of money and property	28,136	9,414	376	338	38,264
Intergovernmental revenue	-	-	-	-	-
Other revenues	89,016	34,391	7,618	33,220	164,245
<b>Total Revenues</b>	<b>117,152</b>	<b>43,805</b>	<b>7,994</b>	<b>33,558</b>	<b>202,509</b>
<b>Expenditures</b>					
Current:					
General government	14,815	-	4,368	-	19,183
Parks and recreation	-	-	-	-	-
Transportation and streets	-	-	-	-	-
Grants and program income	-	-	-	-	-
Capital outlay	44,757	-	-	-	44,757
Debt service:					
Principal	-	-	-	-	-
Interest	412	-	-	-	412
<b>Total Expenditures</b>	<b>59,984</b>	<b>-</b>	<b>4,368</b>	<b>-</b>	<b>64,352</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>57,168</b>	<b>43,805</b>	<b>3,626</b>	<b>33,558</b>	<b>138,157</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>57,168</b>	<b>43,805</b>	<b>3,626</b>	<b>33,558</b>	<b>138,157</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>3,094,843</b>	<b>917,244</b>	<b>58,077</b>	<b>28,942</b>	<b>4,099,106</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 3,152,011</b>	<b>\$ 961,049</b>	<b>\$ 61,703</b>	<b>\$ 62,500</b>	<b>\$ 4,237,263</b>

# City of Red Bluff

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

Year Ended June 30, 2017	Capital Projects		Total Nonmajor Governmental Funds
	Balance Brought Forward	Total	
<b>Revenues</b>			
Other taxes	\$ -	\$ -	164,376
Fines, forfeitures, and penalties	-	-	21,226
Use of money and property	38,264	38,264	43,345
Intergovernmental revenue	-	-	615,193
Other revenues	164,245	164,245	184,482
<b>Total Revenues</b>	<b>202,509</b>	<b>202,509</b>	<b>1,028,622</b>
<b>Expenditures</b>			
Current:			
General government	19,183	19,183	24,815
Parks and recreation	-	-	-
Transportation and streets	-	-	757,283
Grants and program income	-	-	5,000
Capital outlay	44,757	44,757	161,731
Debt service:			
Principal	-	-	6,740
Interest	412	412	2,085
<b>Total Expenditures</b>	<b>64,352</b>	<b>64,352</b>	<b>957,654</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>138,157</b>	<b>138,157</b>	<b>70,968</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	194,027
Transfers out	-	-	(221,229)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(27,202)</b>
<b>Net Change in Fund Balances</b>	<b>138,157</b>	<b>138,157</b>	<b>43,766</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>4,099,106</b>	<b>4,099,106</b>	<b>4,979,345</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 4,237,263</b>	<b>\$ 4,237,263</b>	<b>\$ 5,023,111</b>

# 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, 2017	Traffic Safety Fund				Charter - PEG Fees Fund			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget	Original	Final		With Final Budget
<b>Revenues</b>								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	30,000	30,000	21,226	(8,774)	-	-	-	-
Use of money and property	55	55	115	60	600	600	1,653	1,053
Intergovernmental revenue	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	17,500	17,500	19,560	2,060
<b>Total Revenues</b>	<b>30,055</b>	<b>30,055</b>	<b>21,341</b>	<b>(8,714)</b>	<b>18,100</b>	<b>18,100</b>	<b>21,213</b>	<b>3,113</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>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>30,055</b>	<b>30,055</b>	<b>21,341</b>	<b>(8,714)</b>	<b>18,100</b>	<b>18,100</b>	<b>21,213</b>	<b>3,113</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(30,055)	(30,055)	(21,341)	8,714	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(30,055)</b>	<b>(30,055)</b>	<b>(21,341)</b>	<b>8,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,100</b>	<b>18,100</b>	<b>21,213</b>	<b>3,113</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,347</b>	<b>180,347</b>	<b>180,347</b>	<b>-</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 198,447</b>	<b>\$ 198,447</b>	<b>\$ 201,560</b>	<b>\$ 3,113</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, 2017	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	\$ 94,850	\$ 94,850	\$ 94,283	\$ (567)	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-
Use of money and property	150	150	558	408	-	-	21	21
Intergovernmental revenue	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>95,000</b>	<b>95,000</b>	<b>94,841</b>	<b>(159)</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>21</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>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>95,000</b>	<b>95,000</b>	<b>94,841</b>	<b>(159)</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>21</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers out	(95,000)	(95,000)	(94,841)	159	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(95,000)</b>	<b>(95,000)</b>	<b>(94,841)</b>	<b>159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>21</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,372</b>	<b>2,372</b>	<b>2,372</b>	<b>-</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,372</b>	<b>\$ 2,372</b>	<b>\$ 2,393</b>	<b>\$ 21</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, 2017	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	200	200	620	420	-	-	1	1
Intergovernmental revenue	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	622	622
<b>Total Revenues</b>	<b>200</b>	<b>200</b>	<b>620</b>	<b>420</b>	<b>-</b>	<b>-</b>	<b>623</b>	<b>623</b>
<b>Expenditures</b>								
Current:								
General government	-	-	5,632	(5,632)	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Transportation and streets	-	-	-	-	-	-	-	-
Grants and program income	-	-	-	-	-	-	-	-
Capital outlay	13,905	13,905	-	13,905	-	-	-	-
Debt service:								
Principal	-	-	6,740	(6,740)	-	-	-	-
Interest	-	-	524	(524)	-	-	-	-
<b>Total Expenditures</b>	<b>13,905</b>	<b>13,905</b>	<b>12,896</b>	<b>1,009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(13,705)</b>	<b>(13,705)</b>	<b>(12,276)</b>	<b>1,429</b>	<b>-</b>	<b>-</b>	<b>623</b>	<b>623</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>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(13,705)</b>	<b>(13,705)</b>	<b>(12,276)</b>	<b>1,429</b>	<b>-</b>	<b>-</b>	<b>623</b>	<b>623</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>75,856</b>	<b>75,856</b>	<b>75,856</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 62,151</b>	<b>\$ 62,151</b>	<b>\$ 63,580</b>	<b>\$ 1,429</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 623</b>	<b>\$ 623</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, 2017	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	40	40	586	546	275	275	57	(218)
Intergovernmental revenue	196,000	196,000	219,727	23,727	297,648	297,648	273,656	(23,992)
Other revenues	-	-	-	-	-	-	2	2
<b>Total Revenues</b>	<b>196,040</b>	<b>196,040</b>	<b>220,313</b>	<b>24,273</b>	<b>297,923</b>	<b>297,923</b>	<b>273,715</b>	<b>(24,208)</b>
<b>Expenditures</b>								
Current:								
Parks and recreation	-	-	-	-	-	-	-	-
Transportation and streets	206,000	206,000	181,571	24,429	307,943	307,943	311,910	(3,967)
Grants and program income	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	25	25	-	25	-	-	-	-
<b>Total Expenditures</b>	<b>206,025</b>	<b>206,025</b>	<b>181,571</b>	<b>24,454</b>	<b>307,943</b>	<b>307,943</b>	<b>311,910</b>	<b>(3,967)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(9,985)</b>	<b>(9,985)</b>	<b>38,742</b>	<b>48,727</b>	<b>(10,020)</b>	<b>(10,020)</b>	<b>(38,195)</b>	<b>(28,175)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(473)	(473)	-	473	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(473)</b>	<b>(473)</b>	<b>-</b>	<b>473</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(10,458)</b>	<b>(10,458)</b>	<b>38,742</b>	<b>49,200</b>	<b>(10,020)</b>	<b>(10,020)</b>	<b>(38,195)</b>	<b>(28,175)</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>23,598</b>	<b>23,598</b>	<b>23,598</b>	<b>-</b>	<b>38,195</b>	<b>38,195</b>	<b>38,195</b>	<b>-</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 13,140</b>	<b>\$ 13,140</b>	<b>\$ 62,340</b>	<b>\$ 49,200</b>	<b>\$ 28,175</b>	<b>\$ 28,175</b>	<b>\$ -</b>	<b>(28,175)</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, 2017	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	254	(46)	-	-	-	-
Intergovernmental revenue	85,000	85,000	97,649	12,649	386,526	386,526	24,161	(362,365)
Other revenues	-	-	-	-	-	-	53	53
<b>Total Revenues</b>	<b>85,300</b>	<b>85,300</b>	<b>97,903</b>	<b>12,603</b>	<b>386,526</b>	<b>386,526</b>	<b>24,214</b>	<b>(362,312)</b>
<b>Expenditures</b>								
Current:								
Parks and recreation	-	-	-	-	-	-	-	-
Transportation and streets	-	-	-	-	-	-	-	-
Grants and program income	-	-	-	-	5,000	5,000	5,000	-
Capital outlay	214,000	214,000	3,604	210,396	381,526	381,526	24,161	357,365
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	1,149	(1,149)
<b>Total Expenditures</b>	<b>214,000</b>	<b>214,000</b>	<b>3,604</b>	<b>210,396</b>	<b>386,526</b>	<b>386,526</b>	<b>30,310</b>	<b>356,216</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(128,700)</b>	<b>(128,700)</b>	<b>94,299</b>	<b>222,999</b>	<b>-</b>	<b>-</b>	<b>(6,096)</b>	<b>(6,096)</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>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(128,700)</b>	<b>(128,700)</b>	<b>94,299</b>	<b>222,999</b>	<b>-</b>	<b>-</b>	<b>(6,096)</b>	<b>(6,096)</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>24,029</b>	<b>24,029</b>	<b>24,029</b>	<b>-</b>	<b>203,360</b>	<b>203,360</b>	<b>203,360</b>	<b>-</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ (104,671)</b>	<b>\$ (104,671)</b>	<b>\$ 118,328</b>	<b>\$ 222,999</b>	<b>\$ 203,360</b>	<b>\$ 203,360</b>	<b>\$ 197,264</b>	<b>\$ (6,096)</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, 2017	Transportation Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Other taxes	\$ 61,000	\$ 61,000	\$ 70,093	\$ 9,093
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	1,000	1,000	1,216	216
Intergovernmental revenue	-	-	-	-
Other revenues	-	-	-	-
<b>Total Revenues</b>	<b>62,000</b>	<b>62,000</b>	<b>71,309</b>	<b>9,309</b>
<b>Expenditures</b>				
Current:				
Parks and recreation	-	-	-	-
Transportation and streets	406,780	406,780	263,802	142,978
Grants and program income	-	-	-	-
Capital outlay	-	89,208	89,209	(1)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<b>406,780</b>	<b>495,988</b>	<b>353,011</b>	<b>142,977</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(344,780)</b>	<b>(433,988)</b>	<b>(281,702)</b>	<b>152,286</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	218,671	218,671	194,027	(24,644)
Transfers out	(83,876)	(83,876)	(105,047)	(21,171)
<b>Total Other Financing Sources (Uses)</b>	<b>134,795</b>	<b>134,795</b>	<b>88,980</b>	<b>(45,815)</b>
<b>Net Change in Fund Balances</b>	<b>(209,985)</b>	<b>(299,193)</b>	<b>(192,722)</b>	<b>106,471</b>
<b>Fund Balances (Deficit) - Beginning of Year</b>	<b>332,482</b>	<b>332,482</b>	<b>332,482</b>	<b>-</b>
<b>Fund Balances (Deficit) - End of Year</b>	<b>\$ 122,497</b>	<b>\$ 33,289</b>	<b>\$ 139,760</b>	<b>\$ 106,471</b>

## **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, 2017	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	\$ 917,754	\$ 2,159	\$ -	\$ 919,913
Receivables:				
Accounts - net	-	1,459	3,221	4,680
Interest	448	1	-	449
Due from other governments	-	11,140	60,030	71,170
Due from other funds	-	-	-	-
<b>Total Current Assets</b>	<b>918,202</b>	<b>14,759</b>	<b>63,251</b>	<b>996,212</b>
<b>Noncurrent Assets</b>				
Nondepreciable capital assets	-	940,247	-	940,247
Depreciable capital assets - net	250	1,714,716	11,278	1,726,244
<b>Total Noncurrent Assets</b>	<b>250</b>	<b>2,654,963</b>	<b>11,278</b>	<b>2,666,491</b>
<b>Total Assets</b>	<b>918,452</b>	<b>2,669,722</b>	<b>74,529</b>	<b>3,662,703</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows from pensions	76,260	-	87,381	163,641
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 994,712</b>	<b>\$ 2,669,722</b>	<b>\$ 161,910</b>	<b>\$ 3,826,344</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 35,058	\$ 16,745	\$ 5,749	\$ 57,552
Accrued interest payable	-	14	67	81
Accrued payroll and benefits	4,775	-	6,595	11,370
Customer/employee deposits	1,745	-	7,470	9,215
Other liabilities	5	13,209	3,561	16,775
Due to other funds	-	107,244	34,649	141,893
Compensated absences payable - current	4,753	-	4,110	8,863
<b>Total Current Liabilities</b>	<b>46,336</b>	<b>137,212</b>	<b>62,201</b>	<b>245,749</b>
<b>Noncurrent Liabilities</b>				
Net pension liability	260,760	-	298,787	559,547
Compensated absences payable - net	14,259	-	12,329	26,588
<b>Total Noncurrent Liabilities</b>	<b>275,019</b>	<b>-</b>	<b>311,116</b>	<b>586,135</b>
<b>Total Liabilities</b>	<b>321,355</b>	<b>137,212</b>	<b>373,317</b>	<b>831,884</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows from pension	48,320	-	55,366	103,686
<b>Net Position</b>				
Net investment in capital assets	250	2,654,963	11,278	2,666,491
Unrestricted	624,787	(122,453)	(278,051)	224,283
<b>Total Net Position</b>	<b>625,037</b>	<b>2,532,510</b>	<b>(266,773)</b>	<b>2,890,774</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 994,712</b>	<b>\$ 2,669,722</b>	<b>\$ 161,910</b>	<b>\$ 3,826,344</b>

# City of Red Bluff

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

Year Ended June 30, 2017	Community Development Fund	Airport Fund	Community Center Fund	Totals
<b>Operating Revenues</b>				
Charges for current services:				
Permits and fees	\$ 458,409	\$ -	\$ -	\$ 458,409
Rental revenue	-	99,961	114,807	214,768
Other revenue	-	13,829	12,618	26,447
<b>Total Operating Revenues</b>	<b>458,409</b>	<b>113,790</b>	<b>127,425</b>	<b>699,624</b>
<b>Operating Expenses</b>				
Cost of power and transportation	-	24,920	55,674	80,594
Maintenance, operations, and administration	200,101	27,297	253,577	480,975
Depreciation expense	1,500	192,445	646	194,591
<b>Total Operating Expenses</b>	<b>201,601</b>	<b>244,662</b>	<b>309,897</b>	<b>756,160</b>
<b>Operating Income (Loss)</b>	<b>256,808</b>	<b>(130,872)</b>	<b>(182,472)</b>	<b>(56,536)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental revenues	-	462,227	90,030	552,257
Property taxes	-	71,582	-	71,582
Investment income	7,494	-	-	7,494
Interest expense	-	(619)	(773)	(1,392)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>7,494</b>	<b>533,190</b>	<b>89,257</b>	<b>629,941</b>
<b>Income Before Operating Transfers</b>	<b>264,302</b>	<b>402,318</b>	<b>(93,215)</b>	<b>573,405</b>
Transfers in	-	-	92,255	92,255
Transfers out	(56,416)	(60,294)	-	(116,710)
<b>Change in Net Position</b>	<b>207,886</b>	<b>342,024</b>	<b>(960)</b>	<b>548,950</b>
<b>Total Net Position - Beginning of Year</b>	<b>417,151</b>	<b>2,190,486</b>	<b>(265,813)</b>	<b>2,341,824</b>
<b>Total Net Position - End of Year</b>	<b>\$ 625,037</b>	<b>\$ 2,532,510</b>	<b>\$ (266,773)</b>	<b>\$ 2,890,774</b>

# City of Red Bluff

## COMBINING STATEMENT OF CASH FLOWS – NONMAJOR PROPRIETARY FUNDS

June 30, 2016

Year Ended June 30, 2017	Community Development Fund	Airport Fund	Community Center Fund	Total Other Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 458,733	\$ 114,899	\$ 128,725	\$ 702,357
Cash paid to employees (including employee benefits)	(157,862)	-	(199,376)	(357,238)
Cash paid to suppliers	(124,221)	(53,574)	(106,853)	(284,648)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>176,650</b>	<b>61,325</b>	<b>(177,504)</b>	<b>60,471</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property taxes received	-	71,582	-	71,582
Cash received from (paid to) other funds	-	(6,797)	9,534	2,737
Transfers in	-	-	92,255	92,255
Transfers out	(56,416)	(60,294)	-	(116,710)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(56,416)</b>	<b>4,491</b>	<b>101,789</b>	<b>49,864</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Intergovernmental revenue received	-	451,087	76,457	527,544
Payments for the purchase of capital assets	-	(516,254)	-	(516,254)
Interest paid	-	(630)	(742)	(1,372)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(65,797)</b>	<b>75,715</b>	<b>9,918</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	7,280	-	-	7,280
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>7,280</b>	<b>-</b>	<b>-</b>	<b>7,280</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>127,514</b>	<b>19</b>	<b>-</b>	<b>127,533</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>790,240</b>	<b>2,140</b>	<b>-</b>	<b>792,380</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 917,754</b>	<b>\$ 2,159</b>	<b>\$ -</b>	<b>\$ 919,913</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 256,808	\$ (130,872)	\$ (182,472)	\$ (56,536)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1,500	192,445	646	194,591
Changes in:				
Accounts receivable	-	1,109	1,393	2,502
Deferred outflows from pensions	20,133	-	7,830	27,963
Accounts payable	24,473	(14,555)	783	10,701
Accrued payroll and benefits	785	-	1,987	2,772
Customer/employee deposits	324	-	(93)	231
Other liabilities	4	13,198	(1,840)	11,362
Net pension liability	7,342	-	91,948	99,290
Compensated absences payable	(14,652)	-	1,134	(13,518)
Deferred inflows from pensions	(120,067)	-	(98,820)	(218,887)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 176,650</b>	<b>\$ 61,325</b>	<b>\$ (177,504)</b>	<b>\$ 60,471</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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Number**

**FINANCIAL TRENDS**

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

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**City of Red Bluff**  
STATISTICAL SECTION (UNAUDITED)  
(Continued)

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**DEBT CAPACITY**

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

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**OPERATING INFORMATION**

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

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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)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012**	2012-2013	2013-2014*	2014-2015	2015-2016	2016-2017
<b>Governmental activities:</b>										
Investment in capital assets, net of related debt	\$ 37,817,060	\$ 36,615,441	\$ 35,014,910	\$ 33,797,383	\$ 33,280,481	\$ 30,983,036	\$ 29,608,502	\$ 28,525,737	\$ 27,884,748	\$ 26,806,257
Restricted	7,204,350	7,627,082	8,156,518	9,857,681	9,228,313	10,235,224	9,840,230	10,910,942	10,465,626	10,620,467
Unrestricted	1,947,239	1,091,390	712,231	653,482	453,041	638,560	(8,236,458)	(8,144,522)	(7,270,399)	(6,672,378)
<b>Total governmental activities net assets</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>\$ 31,079,975</b>	<b>\$ 30,754,346</b>
<b>Business-type activities:</b>										
Investment in capital assets, net of related debt	\$ 10,749,078	\$ 11,224,038	\$ 10,839,850	\$ 10,503,399	\$ 10,012,583	\$ 15,109,831	\$ 14,665,508	\$ 14,556,258	\$ 14,424,080	\$ 14,803,046
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	8,451,835	9,841,325	10,892,361	10,074,792	11,246,388	8,267,400	8,402,921	9,695,587	10,819,817	11,865,877
<b>Total business-type activities net assets</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>\$ 25,243,897</b>	<b>\$ 26,668,923</b>
<b>Primary Government:</b>										
Investment in capital assets, net of related debt	\$ 48,566,138	\$ 47,839,479	\$ 45,854,760	\$ 44,300,782	\$ 43,293,064	\$ 46,092,867	\$ 44,274,010	\$ 43,081,995	\$ 42,308,828	\$ 41,609,303
Restricted	7,204,350	7,627,082	8,156,518	9,857,681	9,228,313	10,235,224	9,840,230	10,910,942	10,465,626	10,620,467
Unrestricted	10,399,074	10,932,715	11,604,592	10,728,274	11,699,429	8,905,960	166,463	1,551,065	3,549,418	5,193,499
<b>Total primary government net assets</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>	<b>\$ 56,323,872</b>	<b>\$ 57,423,269</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

## STATEMENT OF ACTIVITIES

### Last Ten Fiscal Years (Accrual Basis of Accounting)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Expenses:</b>										
Governmental activities:										
General government										
City administration	\$ 428,104	\$ 458,924	\$ 380,284	\$ 387,444	\$ 367,942	\$ 398,463	\$ 356,920	\$ 393,618	\$ 472,291	\$ 533,939
Finance	462,818	446,742	434,417	423,246	376,869	400,727	407,240	455,859	457,445	465,684
Community promotion and economic development	154,260	132,541	109,490	112,101	88,570	107,225	102,792	99,330	97,611	93,420
Human resources	196,651	195,398	176,027	182,810	171,011	119,776	114,370	139,099	125,048	128,960
Engineering and administration	328,696	367,083	226,142	202,983	234,566	132,156	121,491	92,074	105,265	176,189
Government buildings	158,797	132,983	132,928	123,508	133,317	107,852	147,159	148,608	186,650	358,403
General government	96,731	163,055	182,391	163,765	181,628	191,725	171,826	297,374	53,313	114,071
Public safety:										
Fire	2,104,897	2,104,130	1,852,232	1,729,515	1,745,768	1,847,624	1,779,441	1,948,383	2,092,629	3,008,573
Police	4,200,406	4,223,961	3,947,641	3,627,431	3,895,358	4,180,695	4,430,643	4,847,057	4,993,565	4,727,324
Parks and recreation	630,366	600,549	533,155	474,044	436,223	423,235	429,042	221,909	287,670	564,815
Transportation and streets	2,180,328	2,198,789	2,016,520	2,030,618	2,031,628	2,000,901	2,197,832	2,386,819	2,437,016	1,772,811
Senior nutrition program	309,193	312,929	293,341	293,014	299,842	251,390	-	-	-	-
Grants & program income	356,650	147,136	258,987	98,606	55,359	74,919	185,102	305,553	251,425	990,726
<b>Total governmental activities expenses</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>	<b>11,559,928</b>	<b>12,934,915</b>
Business-type activities:										
Community development	605,927	481,906	392,331	358,918	383,690	359,033	332,345	280,094	313,412	201,601
Waste water	1,554,383	1,547,524	1,556,988	1,546,492	1,684,254	1,691,332	1,807,789	2,148,694	2,261,824	2,397,433
Water	1,374,550	1,294,398	1,310,841	1,306,676	1,343,581	1,223,665	1,310,922	1,354,882	1,429,373	1,630,846
Airport	83,113	180,926	166,101	322,376	224,963	182,889	204,006	181,269	174,170	245,281
Community center	261,748	257,441	250,015	251,027	252,374	247,415	259,764	295,266	293,399	310,670
<b>Total business-type activities expenses</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>4,472,178</b>	<b>4,785,831</b>
<b>Total primary government expenses</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>	<b>16,032,106</b>	<b>17,720,746</b>

# City of Red Bluff

## STATEMENT OF ACTIVITIES

Last Ten Fiscal Years (Accrual Basis of Accounting)

(Continued)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
General government	411,904	375,388	333,813	322,662	321,851	374,250	380,997	390,026	400,832	423,257
Public safety										
Fire	17,835	18,058	13,100	11,234	5,397	13,391	6,528	41,494	7,858	11,423
Police	121,253	136,070	102,519	81,542	83,719	82,080	91,386	81,411	77,959	89,356
Parks & recreation	69,336	84,395	85,332	70,191	73,434	61,678	62,068	54,493	86,132	85,626
Grants & program income	52,451	47,069	7,065	46,017	3,370	15,359	8,507	4,895	110,263	-
Operating grants and contributions	1,517,319	1,439,100	1,248,148	822,403	848,830	1,079,441	749,627	902,343	870,914	2,073,783
Capital grants and contributions	1,230,470	382,270	292,130	152,536	204,997	400,427	32,149	191,479	162,907	32,143
<b>Total governmental activities program revenues</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>	<b>1,716,865</b>	<b>2,715,588</b>
Business-type activities:										
Charges for services:										
Community development	415,479	329,009	311,218	279,902	250,870	369,002	471,603	536,699	519,261	458,409
Waste water	2,126,320	2,194,460	2,109,942	2,102,029	2,216,395	2,893,933	2,917,443	2,915,534	2,909,695	3,152,427
Water	2,098,967	2,160,972	1,960,408	1,985,521	2,087,017	2,312,459	2,315,557	2,137,292	2,003,215	2,212,746
Airport	123,699	71,971	96,501	116,005	122,929	120,826	128,133	130,101	121,416	113,790
Community center	92,871	71,202	78,453	84,918	75,750	82,482	104,768	124,712	124,139	127,425
Operating grants and contributions	75,938	91,288	77,914	80,971	85,940	67,586	77,175	83,318	76,457	90,030
Capital grants and contributions	493,772	903,638	5,598	191,012	78,033	12,920	10,128	36,348	31,330	462,227
<b>Total business-type activities program revenues</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>5,785,513</b>	<b>6,617,054</b>
<b>Total primary government program revenues</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>7,502,378</b>	<b>9,332,642</b>
<b>Net (expense)/revenue:</b>										
Governmental activities	(8,187,329)	(9,001,870)	(8,461,448)	(8,342,500)	(8,476,483)	(8,210,062)	(9,112,596)	(9,669,542)	(9,843,063)	(10,219,327)
Business-type activities	1,547,325	2,060,345	963,758	1,054,869	1,028,072	2,154,874	2,109,981	1,703,799	1,313,335	1,831,223
<b>Total primary government net expense</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>	<b>(8,529,728)</b>	<b>(8,388,104)</b>

**City of Red Bluff**  
**STATEMENT OF ACTIVITIES**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**  
**(Continued)**

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>General Revenues and Other Changes in Net Assets:</b>										
Governmental activities:										
Taxes:										
Sales taxes	3,242,968	2,703,311	2,328,891	2,460,266	2,627,222	2,795,660	2,972,009	3,386,116	4,471,064	4,352,561
Property taxes	1,549,826	1,544,955	1,462,204	1,354,960	1,324,799	1,273,648	1,330,013	1,396,361	1,409,976	1,538,737
Motel taxes	619,603	562,008	555,234	596,603	594,254	711,274	720,122	835,533	928,374	939,306
Special gas taxes	251,076	232,617	231,350	334,068	404,286	338,911	478,119	364,333	314,726	275,095
Franchise taxes	220,185	246,214	223,635	287,059	291,559	303,909	306,342	324,229	346,867	359,147
Other taxes	238,661	268,152	232,246	173,406	263,808	203,453	219,093	221,998	220,719	235,859
Motor vehicle license fees	1,069,650	1,101,409	1,037,000	1,114,162	1,030,288	959,291	979,512	992,407	1,057,086	1,138,014
Impact fees	125,659	181,331	123,586	47,108	154	230,787	8,551	1,454,334	204,968	264,947
Investment earnings	289,640	186,576	150,343	107,097	140,233	133,603	130,680	145,522	170,436	177,092
Gain/loss on sale of asset	-	(68,543)	8,766	-	-	-	1,200	30,560	184	-
Transfers	418,431	409,104	430,658	457,303	453,169	154,511	541,691	598,032	506,481	612,940
<b>Total governmental activities</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>	<b>9,630,881</b>	<b>9,893,698</b>
Business-type activities:										
Taxes	53,241	56,410	63,666	41,544	57,190	56,428	67,617	-	59,973	71,582
Investment earnings	263,822	156,799	70,082	42,225	48,687	61,469	62,019	77,649	125,225	135,161
Gain on sale of assets	-	-	-	-	-	-	-	-	-	-
Transfers	(418,431)	(409,104)	(430,658)	(457,303)	(453,169)	(154,511)	(541,691)	(598,032)	(506,481)	(612,940)
<b>Total business-type activities</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>(321,283)</b>	<b>(406,197)</b>
<b>Total primary government</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>9,309,598</b>	<b>9,487,501</b>
<b>Change in Net Position:</b>										
Governmental activities	(161,630)	(1,634,736)	(1,677,535)	(1,410,468)	(1,346,711)	(1,105,015)	(1,425,264)	79,883	(212,182)	(325,629)
Business-type activities	1,445,957	1,864,450	666,848	681,335	680,780	2,118,260	1,697,926	1,183,416	992,052	1,425,026
<b>Total primary government</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>	<b>\$ 779,870</b>	<b>\$ 1,099,397</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)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>General Fund:</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,531,055	850,825	193,990	-	-	-	-	-	-	-
Nonspendable	-	-	-	1,869	-	9,057	539	-	-	1,524
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	400,000	400,000	700,000	850,000	1,400,000	2,498,000	2,953,000
Unassigned	-	-	-	25,567	72,905	30,102	42,950	32,922	22,128	40,070
<b>Total general fund</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>\$ 2,520,128</b>	<b>\$ 2,994,594</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 3,974,293	\$ 3,801,442	\$ 4,078,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	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	3,999,821	-
Restricted*	-	-	-	5,598,405	5,750,396	5,845,403	5,564,343	6,915,989	6,302,151	10,394,940
Committed*	-	-	-	1,131,410	1,131,410	1,086,144	1,321,899	1,057,287	1,038,783	1,023,968
Assigned	-	-	-	12,298	27,043	60,250	90,890	132,782	191,745	263,071
Unassigned	-	-	-	(30,563)	(71,464)	(69,626)	(70,650)	(55,343)	(47,901)	(40,290)
<b>Total all other governmental funds</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>\$ 11,484,599</b>	<b>\$ 11,641,689</b>
<b>Total Governmental Funds:</b>										
Reserved	\$ 3,974,293	\$ 3,801,442	\$ 4,078,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	3,999,821	1,524
Restricted	-	-	-	5,598,405	5,750,396	5,845,403	5,564,343	6,915,989	6,302,151	10,394,940
Committed	-	-	-	1,131,410	1,131,410	1,086,144	1,321,899	1,057,287	1,038,783	1,023,968
Assigned	-	-	-	412,298	427,043	760,250	940,890	1,532,782	2,689,745	3,216,071
Unassigned	-	-	-	(4,996)	1,441	(39,524)	(27,700)	(22,421)	(25,773)	(220)
<b>Total all other governmental funds</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>	<b>\$ 14,004,727</b>	<b>\$ 14,636,283</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)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Revenues:</b>										
Sales tax	\$ 3,287,677	\$ 2,757,611	\$ 2,199,252	\$ 2,460,266	\$ 2,627,222	\$ 2,795,660	\$ 2,972,009	\$ 3,386,116	\$ 4,471,064	\$ 4,352,561
Property tax	1,549,826	1,544,955	1,462,204	1,354,960	1,324,799	1,273,648	1,330,013	1,396,361	1,409,976	1,538,737
Motel tax	619,603	562,008	555,234	596,603	594,254	711,274	720,122	835,533	928,374	939,306
Franchise tax	220,185	246,214	223,635	287,059	291,559	303,909	306,342	324,229	346,867	359,147
Other taxes	238,661	215,809	218,954	159,480	248,779	187,840	195,985	204,512	202,061	216,299
Licenses and permits	313,101	301,238	290,205	299,058	296,088	359,517	361,808	390,072	402,631	418,791
Fines, forfeitures, and penalties	99,851	112,941	78,686	55,930	55,354	48,549	59,028	48,277	44,306	46,281
Use of money and property	209,235	119,453	42,942	31,237	26,137	41,968	35,111	43,235	62,133	76,543
Intergovernmental revenue	3,958,337	3,045,121	2,687,922	2,250,249	2,290,720	2,629,884	2,172,264	2,334,436	2,383,984	3,420,253
Charges for current services	94,752	113,035	105,746	92,273	89,616	86,966	87,478	100,901	107,719	119,180
Other revenues	400,912	477,715	333,542	318,339	259,577	446,312	154,424	1,651,574	438,972	408,699
<b>Total revenues</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>10,798,087</b>	<b>11,895,797</b>
<b>Expenditures:</b>										
Current:										
General government	1,769,377	1,732,432	1,479,716	1,445,089	1,456,587	1,303,999	1,261,014	1,325,612	1,461,645	1,759,720
Fire public safety	1,975,534	1,940,701	1,695,134	1,472,877	1,587,931	1,883,035	1,670,002	1,804,086	2,073,642	2,358,334
Police public safety	4,098,261	4,036,688	3,885,703	3,440,872	3,708,039	5,593,288	4,000,627	4,203,081	4,295,756	4,756,752
Parks and recreation	599,271	492,893	433,124	382,394	354,834	304,834	325,701	330,534	395,027	370,533
Transportation and streets	955,859	862,465	723,868	567,078	653,311	679,055	851,368	928,607	1,051,201	757,283
Senior Nutrition program	302,042	308,281	289,701	286,465	294,267	292,339	-	-	-	-
Grants and program income	113,504	151,431	164,033	95,320	36,979	74,917	176,802	133,166	87,916	990,726
Capital outlay	1,000,592	607,936	293,764	607,822	271,559	438,909	345,076	640,530	912,668	586,275
Debt Service:										
Principal	33,084	34,496	35,969	37,505	39,107	60,000	248,000	307,904	334,157	254,920
Interest	7,693	6,280	4,807	3,272	1,862	25,702	71,681	69,473	55,425	42,638
Debt issuance costs	-	-	-	-	-	59,555	-	-	-	-
<b>Total expenditures</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>10,667,437</b>	<b>11,877,181</b>
<b>Excess (deficiency) of revenues over (under) expenditures</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>130,650</b>	<b>18,616</b>
<b>Other financing sources (uses):</b>										
Operating transfers in *	7,643,054	7,039,636	7,611,562	1,885,560	1,477,078	1,493,342	1,640,816	961,858	889,879	954,292
Operating transfers out *	(7,224,623)	(6,630,532)	(7,180,904)	(1,428,257)	(1,023,909)	(1,338,831)	(1,099,125)	(363,826)	(383,398)	(341,352)
Debt proceeds **	-	-	-	-	-	1,948,000	-	-	-	-
<b>Total other financing sources (uses)</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>506,481</b>	<b>612,940</b>
<b>Total prior period adjustments</b>	<b>-</b>	<b>-</b>	<b>227,281</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</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>	<b>\$ 637,131</b>	<b>\$ 631,556</b>
Debt service as a percentage of non capital expenditures	0.41%	0.43%	0.47%	0.53%	0.50%	0.83%	3.71%	4.15%	3.99%	2.64%

\*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>
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%
2015-2016	\$ 2,520,128	\$ 8,219,603	30.7%
2016-2017	\$ 2,994,594	\$ 8,381,776	35.7%

Source: City of Red Bluff Financial Report

## City of Red Bluff

### GENERAL FUND REVENUES BY SOURCE

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Fines, Forfeitures, and Penalties</u>	<u>Use of Money and Property</u>	<u>Intergovernmental Revenues</u>	<u>Charges for Current Services</u>	<u>Other Revenues</u>	<u>Total</u>
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
2015-2016	\$ 7,201,586	\$ 402,631	\$ 21,658	\$ 1,356	\$ 1,471,726	\$ 107,719	\$ 102,020	\$ 9,308,696
2016-2017	\$ 7,241,674	\$ 418,791	\$ 25,055	\$ 2,292	\$ 1,833,173	\$ 119,180	\$ 123,515	\$ 9,763,680

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
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
2015-2016	\$ 4,471,064	\$ 1,409,976	\$ 928,374	\$ 346,867	\$ 26,692	\$ 18,613	\$ 384,685	\$ 17,946
2016-2017	\$ 4,352,561	\$ 1,538,737	\$ 939,306	\$ 359,147	\$ 32,142	\$ 19,781	\$ 396,215	\$ 22,576

**Note:**

The schedule above includes only those revenues recorded in the General Fund. Sales tax is the City's largest own-source revenue. Sales tax rates for the City are the Bradley Burns Local 1% tax rate and the Add-On 1/4% tax rate.

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
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
2015-2016	\$ 1,366,888	\$ 2,073,642	\$ 4,295,756	\$ 395,027	\$ 1,048,406	\$ -	\$ 87,916	\$ 1,031,130	\$ 389,582	\$ 10,688,347
2016-2017	\$ 1,759,720	\$ 2,358,334	\$ 4,756,752	\$ 370,533	\$ 757,283	\$ -	\$ 990,726	\$ 586,275	\$ 297,558	\$ 11,877,181

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	
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%
2015-2016	1.0000%	0.22879%	0.17764%	0.0000%	0.0000%	0.0051%	1.0051%
2016-2017	1.0000%	0.22879%	0.17378%	0.0000%	0.0000%	0.0057%	1.0057%

(1) On June 6, 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

(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 and excludes revenues from aircraft.

(4) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

Source: Tehama County Auditor/Controller's Office

## City of Red Bluff

### ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Secured Roll Assessed Value</u>	<u>Unsecured Roll Assessed Value</u>	<u>Nonunitary Assessed Value</u>	<u>Total Net Assessed Value</u>	<u>Percent Change</u>
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%
2015-2016	\$ 740,926,728	\$ 62,194,249	\$ 1,318,125	\$ 804,439,102	5.18%
2016-2017	\$ 784,434,144	\$ 85,230,689	\$ 1,318,125	\$ 870,982,958	8.27%

#### 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	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Helibro LLC	\$ 29,172,160	1	3.35%	\$ -	n/a	0.00%
Walmart Realty Company	20,679,556	2	2.37%	10,426,776	2	1.25%
Belle Mill Retail Partners LLC	11,811,000	3	1.36%	8,588,849	4	1.03%
P J Helicopters, Inc.	9,971,870	4	1.14%	8,639,490	3	1.03%
Kumar Hospitality, Inc.	9,150,232	5	1.05%	7,678,869	5	0.92%
Home Depot	8,279,650	6	0.95%	11,765,395	1	1.41%
Raleys	7,493,385	7	0.86%	6,901,440	6	0.83%
ECP of TPB2 LLC	7,383,693	8	0.85%	-	n/a	0.00%
Red Bluff Hotel LLC	7,192,250	9	0.83%	-	n/a	0.00%
Cabernet Apartments ETAL	6,699,783	10	0.77%	-	n/a	0.00%
Assisted Living Facilities	-	n/a	0.00%	5,367,082	10	0.64%
Southern Cascade Properties	-	n/a	0.00%	6,206,202	7	0.74%
Price Family LLC	-	n/a	0.00%	6,122,417	8	0.73%
Ninomiya Nursery Gilroy	-	n/a	0.00%	5,761,735	9	0.69%
Sum of Ten Largest Property Valuation	117,833,579		13.53%	77,458,255		9.27%
Other Taxpayers	753,149,379		86.47%	758,157,596		90.73%
<b>Total Property Valuations - Net of Exemptions</b>	<b>\$ 870,982,958</b>		<b>100.00%</b>	<b>\$ 835,615,851</b>		<b>100.00%</b>

Source: Tehama County Auditor/Controller's Office & HdL's "2006/07 and 2015/16 Top Property Taxpayers-Secured."

## City of Red Bluff

### BASIC PROPERTY VALUE TABLE SUMMARIZED BY USE

As of June 30, 2016

Category	Parcels	Assessed Value		Net Taxable Value	
Residential	4,001	\$ 521,831,151	53.1%	\$ 470,843,087	54.1%
Commercial	525	\$ 253,041,280	25.7%	\$ 250,687,235	28.8%
Industrial	78	\$ 32,424,487	3.3%	\$ 32,424,487	3.7%
Dry Farm	4	\$ 190,562	0.0%	\$ 190,562	0.0%
Govt. Owned	4	\$ 690,647	0.1%	\$ 690,647	0.1%
Institutional	44	\$ 60,194,465	6.1%	\$ 4,856,231	0.6%
Miscellaneous	20	\$ 775,563	0.1%	\$ 642,246	0.1%
Recreational	13	\$ 8,817,923	0.9%	\$ 8,509,162	1.0%
Vacant	301	\$ 11,192,042	1.1%	\$ 10,896,341	1.3%
Exempt	275	\$ -	0.0%	\$ -	0.0%
SBE Nonunitary	[11]	\$ 1,318,125	0.1%	\$ 1,318,125	0.2%
Cross Reference	[184]	\$ 4,694,146	0.5%	\$ 4,694,146	0.5%
Unsecured	[1011]	\$ 88,371,011	9.0%	\$ 85,230,689	9.8%
<b>TOTALS</b>	<b>5,265</b>	<b>\$ 983,541,402</b>	<b>100.0%</b>	<b>\$ 870,982,958</b>	<b>100.0%</b>

Data Source: Tehama County Assessor 2016/17 Combined Tax Rolls

### Single Family Residential Full Value Sales (01/01/2015 - 06/30/2017)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2015	182	\$ 129,739	\$ 129,500	
2016	180	\$ 154,913	\$ 153,000	18.15%
2017	91	\$ 158,665	\$ 159,500	4.25%

\* 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

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

### PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections to Tax Levy</u>
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%
2015-2016	\$ 1,409,976	\$ 1,409,976	100%	\$ -	\$ 1,409,976	100%
2016-2017	\$ 1,538,737	\$ 1,538,737	100%	\$ -	\$ 1,538,737	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, 2016

	Secured	Nonunitary Utilities	Unsecured
Parcels	4,990	11	1,011
TRAs	21	1	10
<b>Values</b>			
Land	\$ 215,502,841	\$ 1,318,125	\$ 1,337,592
Improvements	638,126,962	-	3,845,629
Personal property	31,697,115	-	51,144,322
Fixtures	8,525,348	-	10,278,618
Aircraft	-	-	21,764,850
<b>Total Values</b>	<b>893,852,266</b>	<b>1,318,125</b>	<b>88,371,011</b>
<b>Exemptions</b>			
Real estate	87,551,415	-	-
Personal property	18,446,757	-	2,000,099
Fixtures	3,419,950	-	847,163
Aircraft	-	-	293,060
Homeowners*	13,279,100	-	-
<b>Total Exemptions</b>	<b>122,697,222</b>	<b>-</b>	<b>3,140,322</b>
<b>Total Net Values</b>	<b>\$ 771,155,044</b>	<b>\$ 1,318,125</b>	<b>\$ 85,230,689</b>

Combined Values	Total
Total Values	\$ 983,541,402
Total Exemptions	\$ 125,837,544
Net Total Values	\$ 857,703,858
Net Aircraft Values	\$ 21,471,790

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

Totals do not include aircraft values or aircraft exemptions

Data Source: Tehama County Assessor 2016/17 Combined Tax Rolls

# City of Red Bluff

## ASSESSED VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Category	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Residential	\$ 490,198,005	\$ 520,436,882	\$ 475,343,273	\$ 436,208,869	\$ 437,042,328	\$ 416,542,159	\$ 414,200,942	\$ 425,652,465	\$ 461,044,374	\$ 470,843,087
Commercial	217,916,877	230,592,015	234,531,799	211,554,681	204,339,800	182,089,869	209,413,795	199,323,043	218,216,076	250,687,235
Industrial	35,224,062	37,926,611	37,576,041	29,194,594	28,010,421	26,039,963	25,409,557	24,710,396	30,414,376	32,424,487
Dry Farm	501,679	171,755	174,153	616,204	620,815	333,692	337,974	342,107	187,701	190,562
Govt. owned	256,811	261,947	267,185	461,648	738,764	273,929	616,718	504,192	686,282	690,647
Institutional	4,946,209	4,506,379	4,595,483	1,614,080	1,565,194	1,459,189	1,512,791	1,533,029	4,809,444	4,856,231
Irrigated	-	-	-	417,245	173,857	177,334	180,880	181,701	-	-
Miscellaneous	513,884	607,430	2,097,808	4,692,730	6,140,725	16,046,052	10,199,439	17,216,109	657,456	642,246
Recreational	7,393,940	7,323,291	7,068,114	5,852,355	5,949,671	5,160,623	5,231,513	5,310,943	8,392,086	8,509,162
Vacant	14,801,950	14,228,893	16,803,612	36,873,772	26,245,929	26,179,149	24,342,469	24,258,735	11,553,503	10,896,341
SBE nonunitary	1,617,685	1,617,685	1,617,685	1,564,842	1,564,942	1,564,942	1,564,942	1,318,125	1,318,125	1,318,125
Cross reference	6,035,364	5,846,586	5,674,596	5,545,512	5,532,710	5,343,307	5,174,011	5,034,510	4,965,430	4,694,146
Unsecured	56,209,385	59,977,180	64,121,500	56,582,319	55,839,454	57,748,827	58,382,220	59,432,383	62,194,249	85,230,689
<b>Totals</b>	<b>\$ 835,615,851</b>	<b>\$ 883,496,654</b>	<b>\$ 849,871,249</b>	<b>\$ 791,178,851</b>	<b>\$ 773,764,610</b>	<b>\$ 738,959,035</b>	<b>\$ 756,567,251</b>	<b>\$ 764,817,738</b>	<b>\$ 804,439,102</b>	<b>\$ 870,982,958</b>
Total Direct Rate	0.16443	0.17003	0.17009	0.16797	0.16517	0.17516	0.17536	0.17527	0.17764	0.17378

**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 2007/08 - 2016/17 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>
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
2015-2016	\$ 21,450	\$ 18,613
2016-2017	\$ 21,475	\$ 19,781

## 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			
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
2015-2016	\$ -	\$ -	\$ 1,095,000	\$ 21,920	\$ -	\$ 546,825	\$ 1,663,745	0.72%	118
2016-2017	\$ -	\$ -	\$ 850,000	\$ 12,000	\$ -	\$ 413,760	\$ 1,275,760	0.54%	91

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
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
2015-2016	\$ -	\$ -	\$ -	0.00%	\$ -	14,048	\$ 804,439,102
2016-2017	\$ -	\$ -	\$ -	0.00%	\$ -	14,070	\$ 870,982,958

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>
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%
2105-2016	\$ -	\$ -	\$ 8,762,896	0.00%
2106-2017	\$ -	\$ -	\$ 9,929,356	0.00%

Source: City of Red Bluff Financial Reports

## City of Red Bluff

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2016

<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>\$ 23,365,000</u>	3.93%	<u>\$ 918,245</u>
Sub-Total overlapping debt	23,365,000		918,245
City of Red Bluff direct debt	<u>862,000</u>	100.00%	<u>\$ 862,000</u>
Total direct and overlapping debt	<u><u>\$ 24,227,000</u></u>		<u><u>\$ 1,780,245</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**

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Total Assessed Valuation	\$ 835,615,851	\$ 883,496,654	\$ 849,871,249	\$ 791,178,851	\$ 773,764,610	\$ 738,959,035	\$ 756,567,251	\$ 764,817,738	\$ 804,439,102	\$ 870,982,958
Debt Limit 15% of										
Total Assessed Valuation*	\$ 125,342,378	\$ 132,524,498	\$ 127,480,687	\$ 118,676,828	\$ 116,064,692	\$ 110,843,855	\$ 113,485,088	\$ 114,722,661	\$ 120,665,865	\$ 130,647,444
Debt Applicable to Debt Limit	455,000	315,000	165,000	-	-	-	-	-	-	-
Legal Debt Margin	\$ 124,887,378	\$ 132,209,498	\$ 127,315,687	\$ 118,676,828	\$ 116,064,692	\$ 110,843,855	\$ 113,485,088	\$ 114,722,661	\$ 120,665,865	\$ 130,647,444
Total Net	0.36%	0.24%	0.13%	0.00%	0.00%	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**

Fiscal Year	CalPERS Refunding Loan						State Revolving Loan Fund and Revenue Bonds						
	Gross Revenue	Operating Expenses	Net Revenue		Coverage	Gross Revenue	Operating Expenses	Net Revenue		Revenue		Coverage	
			Available for Debt Service	Total Debt Service				Available for Debt Service	SRL Debt Debt Service	Bonds Debt Service	Total Debt Service		
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	
2015-2016	\$ 10,004,548	\$ 8,917,342	\$ 1,087,206	\$ 333,993	3.26	\$ 2,909,695	\$ 2,251,500	\$ 658,195	\$ 142,923	\$ -	\$ 142,923	4.61	
2016-2017	\$ 10,480,892	\$ 10,006,426	\$ 474,466	\$ 285,306	1.66	\$ 3,152,427	\$ 2,389,832	\$ 762,595	\$ 142,923	\$ -	\$ 142,923	5.34	

Fiscal Year	CIEDB Loan				
	Gross Revenue	Operating Expenses	Net Revenue		Coverage
			Available for Debt Service	Total Debt Service	
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	\$ -	\$ -	\$ -	\$ -	-
2015-2016	\$ -	\$ -	\$ -	\$ -	-
2016-2017	\$ -	\$ -	\$ -	\$ -	-

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, 2016

### Miscellaneous Information

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Year of Incorporation	1876
Population	14,070
Area in Acres	4,490
Form of Government	Council/Manager
Employees	
Full-time	101
Part-time	36
Miles of Streets	130
Number of Street Lights	822

### Recreational Services

---

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

---

Fire Protection	
Number of stations	1
Number of firefighters	14
Number of volunteers	18
Police Protection	
Number of volunteers	6
Number of stations	1
Number of police officers	25
Number of records clerks	3
Dispatchers/ CSOs	11

### Water and Sewer Facilities

---

Water System	
Number of connections	4,569
Length of water mains	68
Wastewater System	
Number of connections	4,569
Length of sewer lines in miles	60

**City of Red Bluff**  
**PRINCIPAL EMPLOYERS**  
 Current Year and Nine Years Ago

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal-Mart	1275	1	19%	283	4	5%
County of Tehama	742	2	11%	833	1	15%
St. Elizabeth Hospital	462	3	7%	492	2	9%
Red Bluff Elementary School District	266	4	4%	297	3	5%
Red Bluff High School District	230	5	3%	219	5	4%
Tehama County Department of Education	209	6	3%	185	6	3%
City of Red Bluff	137	7	2%	160	7	3%
Raleys	120	8	2%	102	9	2%
Home Depot	115	9	2%	155	8	3%
Lassen Medical Group	109	10	2%	96	10	2%
Total Employment, City of Red Bluff	6,665			5,622		

Source: City Business License records, City Community Development Department, Employers, and a 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*
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%
2015	14,048	8.4%	\$ 232,209	\$ 16,529	35.2	84.7%	12.8%
2016	14,070	7.5%	\$ 236,191	\$ 16,786	37.9	85.3%	13.1%

\* Information not available for 2007 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
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	5,431	23	34,451	1,703	1,001	2,747	635
2015-2016	130.0	7	90	14	60	2.5	5,431	1,413	34,862	1,801	964	2,872	635
2016-2017	130.0	7	90	14	60	2.5	5,431	105	36,418	1,574	989	2,887	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	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
General Government	16	17	10	10	8	8	9	10	10	11
Community Development	2	2	2	3	5	4	4	4	4	6
Fire	33	38	31	26	22	24	22	27	30	27
Police	40	41	36	36	33	32	32	33	39	39
Public Works	9	12	10	11	7	6	6	6	10	12
Sewer	6	6	6	5	4	4	4	4	8	8
Water	6	5	6	5	5	4	4	6	6	6
Parks & Recreation	25	35	49	49	43	49	43	35	45	48
Total City	137	156	150	145	127	131	124	125	152	157

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
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
2015-2016	15.04	0.63	34.00	2.69
2016-2017	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 2016-17

Business Name	Business Category
No Name on File 084253364	Receivables/Master Outlets
No Name on File 084254656	Receivables/Master Outlets
76	Service Stations
Adobe Minimart	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Dollar General	Variety Stores
Food Maxx	Grocery Stores Liquor
Growney Motors Buick/GMC	New Motor Vehicle Dealers
Home Depot	Lumber/Building Materials
Jack in the Box	Quick-Service Restaurants
Les Schwab Tire Center	Automotive Supply Stores
Main Street Chevron	Service Stations
More for Less Gas	Service Stations
North Valley Distributing	Plumbing/Electrical Supplies
One Stop Gas	Service Stations
Raleys	Grocery Stores Liquor
Red Bluff Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Red Bluff Shell	Service Stations
Taco Bell	Restaurants No Alcohol
Tractor Supply Company	Garden/Agricultural Supplies
USA Gas	Service Stations
Valero	Service Stations
Valero	Service Stations
Walmart	Discount Dept Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 68.51%  
 Period: July 2016 through March 2017

\* Firms Listed Alphabetically

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

#### FOR FISCAL YEAR 2007-08

Business Name	Business Category
Adobe Road Chevron	Service Stations
Antelope Valero	Service Stations
Arco AM PM	Service Stations
Food Maxx	Grocery Stores Liquor
Growney Motors Buick/GMC	New Motor Vehicle Dealers
Helser Chev Olds Cad & Geo	New Motor Vehicle Dealers
Home Depot	Lumber/Building Materials
Les Schwab Tire Center	Automotive Supply Stores
Main Street Chevron	Service Stations
McMahan Furniture	Home Furnishings
More for Less Gas	Service Stations
Moss Lumber	Building Materials
One Stop Gas & Food	Service Stations
PJs Helicopter	Aircraft Sales & Service
Raleys	Grocery Stores Liquor
Red Bluff Ford Mercury	New Motor Vehicle Dealers
Red Bluff Shell	Service Stations
Staples	Office Supplies/Furniture
Supreme Oil Co	Petroleum Prod/Equipment
Tehama Auto Center	Used Automotive Dealers
Tractor Supply	Garden/Agricultural Supplies
USA Gas	Service Stations
Valero	Service Stations
Walmart Supercenter	Discount Dept Stores
Warner Petroleum	Petroleum Prod/Equipment

Percent of Fiscal Year Total Paid By Top 25 Accounts = 64.89%  
 Period: July 2007 through March 2008

## City of Red Bluff

### TAXABLE SALES BY CATEGORY

Last Ten Calendar Years (In Thousands of Dollars)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Apparel stores	\$ 1,256	\$ 957	\$ 905	\$ 876	\$ 1,108	\$ 1,297	\$ 1,360	\$ 1,479	\$ 2,179	\$ 2,041
Food stores	14,897	14,655	14,368	14,111	12,572	13,786	13,390	13,204	13,419	11,593
Eating and drinking places	29,557	28,456	26,125	28,277	28,632	30,388	30,790	31,960	34,441	36,396
Building materials	46,933	40,460	33,454	33,058	33,763	34,293	38,424	38,446	42,350	44,767
Auto dealers and supplies	77,087	53,594	27,187	20,380	18,266	26,944	42,610	53,799	68,583	71,996
Service stations	61,659	65,631	53,168	62,271	78,102	82,164	83,619	77,604	66,062	60,041
Other retail stores	80,270	76,148	68,070	65,609	65,525	71,369	70,573	74,281	73,757	77,893
All other outlets	57,091	56,188	42,623	46,846	45,460	45,858	48,241	52,851	64,062	67,991
<b>Total</b>	<b>\$ 368,750</b>	<b>\$ 336,089</b>	<b>\$ 265,900</b>	<b>\$ 271,428</b>	<b>\$ 283,428</b>	<b>\$ 306,099</b>	<b>\$ 329,007</b>	<b>\$ 343,624</b>	<b>\$ 364,853</b>	<b>\$ 372,718</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**

# City of Red Bluff

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/Project Number	Disbursements/ Expenditures	Passed Through To Subrecipient
<b>FEDERAL EXPENDITURES</b>				
<b>U.S. Department of Housing and Urban Development</b>				
<b>Passed through from State of California Department of Housing and Community Development</b>				
Community Development Block Grant Program	14.228	13-CDBG-8936	\$ 906,681	\$ 855,414
Community Development Block Grant Program	14.228	Program Income	79,045	79,045
<b>Total U.S. Department of Housing and Urban Development</b>			<b>985,726</b>	<b>934,459</b>
<b>Federal Aviation Administration</b>				
Airport Improvement Grant Program	20.106	03-06-0193-12	6,988	-
Airport Improvement Grant Program	20.106	03-06-0193-13	483,265	-
<b>Total Federal Aviation Administration</b>			<b>490,253</b>	<b>-</b>
<b>U.S. Department of Transportation</b>				
<b>Passed through from State of California Department of Transportation</b>				
Highway Planning and Research	20.205	BRLS-5052(017)	1,196	-
<b>Total U.S. Department of Transportation</b>			<b>1,196</b>	<b>-</b>
<b>U.S. Department of Homeland Security</b>				
<b>Passed through Tehama County</b>				
Homeland Security Grant Program	97.067		29,038	-
<b>Total U.S. Department of Homeland Security</b>			<b>29,038</b>	<b>-</b>
<b>Total Federal Expenditures</b>			<b>\$ 1,506,213</b>	<b>\$ 934,459</b>

## **City of Red Bluff**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2017

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#### **1. PURPOSE**

Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance.

#### **2. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grants activity of the City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

#### **3. INDIRECT COST RATE**

The City has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



**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, 2017, 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 28, 2017.

***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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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.

*Aiello, Goodrich & Teuscher*

December 28, 2017

Aiello, Goodrich & Teuscher

An Accountancy Corporation

Redding, California



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

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

**Report on Compliance of Each Federal Program**

We have audited the compliance of the City of Red Bluff (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2017. The City's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations and terms and conditions of federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for City's major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

(Continued)

**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Aiello, Goodrich & Teuscher*

December 28, 2017  
Aiello, Goodrich & Teuscher  
An Accountancy Corporation  
Redding, California

**City of Red Bluff**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2017

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**SECTION I**

**SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Are any material weaknesses identified?	No
Are any significant deficiencies identified?	None reported
Is any noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major programs:	
Are any material weaknesses identified?	No
Are any significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
Identification of major programs:	
CDBG No.      14.228      Community Development Block Grant Program	
Threshold for distinguishing types A and B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**SECTION II FINDINGS**

**FINANCIAL STATEMENTS AUDIT**

None

**SECTION III FINDINGS**

**FEDERAL AWARDS AUDIT**

None

**City of Red Bluff**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2017

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None