

CITY OF SUTTER CREEK, CALIFORNIA
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2015

This Page Left Intentionally Blank

CITY OF SUTTER CREEK, CALIFORNIA

Basic Financial Statements

For the year ended June 30, 2015

Table of Contents

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position.....	6
Statement of Activities	7
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet – Governmental Funds	8
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position.....	9
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government- wide Statement of Activities.....	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – General Fund	12
Proprietary Funds:	
Statement of Net Position – Proprietary Funds	13
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	14
Statement of Cash Flows – Proprietary Funds	15
Statement of Fiduciary Net Position – Fiduciary Funds	16
Notes to the Basic Financial Statements	17

CITY OF SUTTER CREEK, CALIFORNIA

Basic Financial Statements

For the year ended June 30, 2015

Table of Contents (Continued)

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date	42
Schedule of Contributions.....	43
Schedule of Funding Progress – Other Post-Employment Benefits Obligation.....	44

SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds:	
Combining Balance Sheet – Non-major Governmental Funds	46
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds.....	52
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual Gas Tax Special Revenue Fund.....	57
Agency Funds:	
Combining Statement of Position and Liabilities	60

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Sutter CreekCity of Sutter Creek, California

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 Sutter CreekCity of Sutter Creek, California, as of and for the year ended June 30, 2015June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Business-Type Activities	Unmodified
Major Funds	Unmodified
Aggregate Remaining Fund	Unmodified

Basis for Qualified Opinion on Governmental Activities

As discussed in Note 1, accounting principles generally accepted in the United States of America require that capital assets be recorded at historical cost. The City has identified and recorded its governmental activities capital assets at current replacement cost or current estimated values at historical cost. In addition, the City has recorded only recently completed infrastructure projects but is required to record infrastructure projects prospectively beginning July 1, 2003. The City also has not considered donated assets, such as developer constructed assets deeded to the City in the amounts recorded as capital assets. The amount by which these departures would affect the assets, net assets, and expenses of the governmental activities has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter discussed in the “Basis for Qualified Opinion on the Governmental Activities” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the City as of June 30, 2015, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015June 30, 2015 and required a prior period adjustment of net position as discussed in Note 1F to the financial statements:

Statement No. 68 – *Accounting and Financial Reporting for Pensions*

Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*

The emphasis of this matter does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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 Supplementary Information listed in the Table of Contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates 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 Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Maze & Associates

Pleasant Hill, California
April 25, 2016

This Page Left Intentionally Blank

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SUTTER CREEK
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents (Note 2)	\$1,077,440	\$972,540	\$2,049,980
Accounts receivable, net of allowance for doubtful accounts	58,931	106,647	165,578
Interest receivable	124	107	231
Due from other government agencies	547,210	128,343	675,553
Total current assets	<u>1,683,705</u>	<u>1,207,637</u>	<u>2,891,342</u>
Noncurrent assets:			
Loan receivable		275,891	275,891
Capital assets, net of accumulated depreciation			
Non-depreciable (Note 4)	3,684,984	596,362	4,281,346
Depreciable (Note 4)	3,276,174	1,475,827	4,752,001
Total noncurrent assets	<u>6,961,158</u>	<u>2,348,080</u>	<u>9,309,238</u>
Total Assets	<u>8,644,863</u>	<u>3,555,717</u>	<u>12,200,580</u>
DEFERRED OUTFLOWS			
Pension related (Note 8)	<u>190,221</u>	<u>51,046</u>	<u>241,267</u>
Total Deferred Outflows	<u>190,221</u>	<u>51,046</u>	<u>241,267</u>
LIABILITIES			
Current liabilities:			
Accounts payable	149,837	43,040	192,877
Accrued liabilities	56,950	60,373	117,323
Retentions payable	251		251
Due to other governments	4,715		4,715
Interest payable		2,359	2,359
Deposits payable	5,753	4,750	10,503
Compensated absences, due in less than one year (Note 1)	20,518	7,792	28,310
Long-term debt, due in less than one year (Note 5)		17,000	17,000
Total current liabilities	<u>238,024</u>	<u>135,314</u>	<u>373,338</u>
Long-term liabilities:			
OPEB liability (Note 6)	9,850	2,310	12,160
Compensated absences, due in more than one year (Note 1)	6,839	2,598	9,437
Long-term debt, due in more than one year (Note 5)		1,046,000	1,046,000
Net pension liability (Note 8)	1,726,261	538,989	2,265,250
Total long-term liabilities	<u>1,742,950</u>	<u>1,589,897</u>	<u>3,332,847</u>
Total Liabilities	<u>1,980,974</u>	<u>1,725,211</u>	<u>3,706,185</u>
DEFERRED INFLOWS			
Pension related (Note 8)	<u>446,581</u>	<u>131,148</u>	<u>577,729</u>
Total Deferred Inflows	<u>446,581</u>	<u>131,148</u>	<u>577,729</u>
NET POSITION (Note 7)			
Net investment in capital assets	6,961,158	1,009,189	7,970,347
Restricted for street and bridge projects	257,639		257,639
Restricted for other city projects	508,821		508,821
Unrestricted net position	<u>(1,320,089)</u>	<u>741,215</u>	<u>(578,874)</u>
Total net assets	<u>\$6,407,529</u>	<u>\$1,750,404</u>	<u>\$8,157,933</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF SUTTER CREEK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General government and administrative services	\$562,724	\$69,527			(\$493,197)		(\$493,197)
Public safety	961,508	26,776	\$267,181		(667,551)		(667,551)
Culture and recreation	165,670	32,207			(133,463)		(133,463)
Public works	109,452	12,345		233,967.00	136,860		136,860
Community development	45,035				(45,035)		(45,035)
Total Governmental Activities	1,844,389	140,855	267,181	233,967	(1,202,386)		(1,202,386)
Business-type Activities:							
Wastewater	1,498,310	1,689,957				\$191,647	191,647
Total Business-type Activities	1,498,310	1,689,957				191,647	191,647
Total government	\$3,342,699	\$1,830,812	\$267,181	\$233,967	(\$1,202,386)	\$191,647	(\$1,010,739)
General revenues:							
Taxes:							
Property taxes					\$533,875		\$533,875
Sales taxes					294,881		294,881
Transient occupancy tax					224,330		224,330
Franchise taxes					82,764		82,764
Gas taxes					67,242		67,242
Motor vehicle in-lieu					62,296		62,296
Investment income					12,354	\$90,887	103,241
Rental income					7,051		7,051
Miscellaneous					168,776		168,776
Interfund transfers					67,246	(67,246)	
Total general revenues:					1,520,815	23,641	1,544,456
Changes in net assets					318,429	215,288	533,717
Net position - beginning, as adjusted (Note 1F)					6,089,100	1,535,116	\$7,624,216
Net position - ending					\$6,407,529	\$1,750,404	\$8,157,933

See Accompanying Notes to the Basic Financial Statements

CITY OF SUTTER CREEK
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2015

	Major Funds				
	General Fund	Badger Street Bridge Grant Fund	Traffic Enhancement Activity Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments (Note 2)	\$344,287	\$18,901		\$714,252	\$1,077,440
Accounts receivable, net of allowance for doubtful accounts	54,299	4,000		632	58,931
Due from other governmental agencies	272,667	155,173		119,370	547,210
Interest receivable	48			76	124
Due from other funds (Note 3)	310,151				310,151
TOTAL ASSETS	\$981,452	\$178,074		\$834,330	\$1,993,856
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$71,862	30,952	\$27,400	\$19,623	\$149,837
Accrued liabilities	56,058			892	56,950
Retentions payable	251				251
Due to other funds (Note 3)		190,100	119,958	93	310,151
Due to other governments	431			4,284	4,715
Deposits payable	5,753				5,753
TOTAL LIABILITIES	134,355	221,052	147,358	24,892	527,657
FUND BALANCES (Note 7)					
Restricted				809,438	809,438
Committed	701,771				701,771
Unassigned	145,326	(42,978)	(147,358)		(45,010)
TOTAL FUND BALANCES	847,097	(42,978)	(147,358)	809,438	1,466,199
TOTAL LIABILITIES AND FUND BALANCES	\$981,452	\$178,074		\$834,330	\$1,993,856

See Accompanying Notes to the Basic Financial Statements

CITY OF SUTTER CREEK

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

JUNE 30, 2015

Total Governmental Fund Balances	\$1,466,199
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position	6,961,158
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	
Compensated absences	(27,357)
Other post-employment benefits	(9,850)
Pension related deferred outflows, deferred inflows and liabilities	<u>(1,982,621)</u>
Net Position of Governmental Activities	<u><u>\$6,407,529</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF SUTTER CREEK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	Major Funds			
	General Fund	Badger Street Bridge Grant Fund	Traffic Enhancement Activity Fund	Nonmajor Governmental Funds
				Governmental Funds
REVENUES				
Taxes and assessments	\$1,273,028			\$67,201
Licenses, permits and fees	57,062			57,062
Fines and forfeitures	14,225			14,225
Interest and investment income	3,451		\$76	3,627
Intergovernmental revenues	196,027	\$188,532		259,638
Charges for services	31,120		12,343	24,559
Other revenue	110,047			13,530
TOTAL REVENUES	<u>1,684,960</u>	<u>188,532</u>	<u>12,419</u>	<u>368,555</u>
EXPENDITURES				
Current:				
General government and administration	339,826			150,450
Public safety	838,907			18,636
Public works and facilities	47,569			121,746
Community development	44,824			
Cultural and recreation	162,409			2,947
Capital outlay		225,401	181,058	109,040
TOTAL EXPENDITURES	<u>1,433,535</u>	<u>225,401</u>	<u>181,058</u>	<u>402,819</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>251,425</u>	<u>(36,869)</u>	<u>(168,639)</u>	<u>(34,264)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3)	701,793			20,043
Transfers out (Note 3)	<u>(20,043)</u>			<u>(701,793)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>681,750</u>			<u>(681,750)</u>
NET CHANGE IN FUND BALANCES	933,175	(36,869)	(168,639)	(716,014)
FUND BALANCES, BEGINNING OF YEAR	<u>(86,078)</u>	<u>(6,109)</u>	<u>21,281</u>	<u>1,525,452</u>
FUND BALANCES, END OF YEAR	<u>\$847,097</u>	<u>(\$42,978)</u>	<u>(\$147,358)</u>	<u>\$809,438</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF SUTTER CREEK

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

FOR THE YEAR ENDED JUNE 30, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$11,653

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

Governmental funds report outlays for capital assets as expenditures because such
outlays use current financial resources. In contrast, the Statement of Activities reports
only a portion of the outlay as expense. The outlay is allocated over the assets'
estimated useful lives as depreciation expense for the period.

Depreciation	(153,257)
Transfer of construction in process to the governmental activities	25,000
The capital outlay and other capitalizable expenditures are added back to fund balance	540,458

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

Compensated absences	(11,887)
Other post-employment benefits	(3,512)

Some revenues reported in the governmental funds in the current year were reported in the
Statement of Activities in the prior fiscal year as the resources were earned but were received
outside the accrual period in prior year.

(158,894)

Internal service funds are used by management to charge the costs of certain
activities to other funds. The net revenues of certain activities of internal
service funds is reported with governmental activities.

49,966

The amounts below included in the Statement of Activities do not provide or (require) the use of
current financial resources and therefore are not reported as revenues or expenditures in
governmental funds (net change):

Change in net pension liability	18,902
---------------------------------	--------

Change in Net Assets of Governmental Activities

\$318,429

See Accompanying Notes to the Basic Financial Statements

CITY OF SUTTER CREEK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$1,192,500	\$1,276,640	\$1,273,028	(\$3,612)
Licenses and permits	77,100	62,585	57,062	(5,523)
Fines and penalties	15,000	15,000	14,225	(775)
Interest and investment income	500	500	3,451	2,951
Intergovernmental	157,500	183,500	196,027	12,527
Charges for services	111,800	42,200	31,120	(11,080)
Other revenue	15,600	8,600	110,047	101,447
TOTAL REVENUES	1,570,000	1,589,025	1,684,960	95,935
EXPENDITURES:				
Current:				
General government and administration	364,374	402,798	339,826	62,972
Public safety	814,287	832,348	838,907	(6,559)
Public works and facilities	145,947	131,476	47,569	83,907
Community development	49,400	54,400	44,824	9,576
Culture and recreation	183,030	160,518	162,409	(1,891)
Capital outlay	10,000	10,000		10,000
TOTAL EXPENDITURES	1,567,038	1,591,540	1,433,535	158,005
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,962	(2,515)	251,425	253,940
OTHER FINANCING SOURCES (USES)				
Transfers in		8,000	701,793	693,793
Transfers out			(20,043)	(20,043)
TOTAL OTHER FINANCING SOURCES (USES)		8,000	681,750	673,750
NET CHANGE IN FUND BALANCES	\$2,962	\$5,485	933,175	\$927,690
Fund balances, beginning of year			(86,078)	
FUND BALANCES, END OF YEAR			\$847,097	

See Accompanying Notes to the Basic Financial Statements

CITY OF SUTTER CREEK

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

AS OF JUNE 30, 2015

	Major Enterprise Fund	Non-major Enterprise Fund	Total Enterprise Funds	Governmental Activities
	Wastewater Fund	Noble Ranch Golf Fund		Internal Service Fund
ASSETS				
CURRENT ASSETS				
Cash and investments (Note 2)	\$972,540		\$972,540	
Accounts receivable, net	106,647		106,647	
Interest receivable	107		107	
Due from other governments	128,343		128,343	
TOTAL CURRENT ASSETS	1,207,637		1,207,637	
NONCURRENT ASSETS				
Loan receivable	275,891		275,891	
Capital assets:				
Non-depreciable (Note 4)	596,362		596,362	
Depreciable (Note 4)	1,475,827		1,475,827	
TOTAL NONCURRENT ASSETS	2,348,080		2,348,080	
TOTAL ASSETS	3,555,717		3,555,717	
DEFERRED OUTFLOWS				
Pension related (Note 8)	51,046		51,046	
TOTAL DEFERRED OUTFLOWS	51,046		51,046	
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	43,040		43,040	
Accrued liabilities	60,373		60,373	
Interest payable	2,359		2,359	
Deposits payable	4,750		4,750	
Compensated absences, due in less than one year (Note 1)	7,792		7,792	
Long-term debt, due in less than one year (Note 5)	17,000		17,000	
TOTAL CURRENT LIABILITIES	135,314		135,314	
NONCURRENT LIABILITIES				
Net pension liability (Note 8)	538,989		538,989	
OPEB liability (Note 6)	2,310		2,310	
Compensated absences, due in more than one year (Note 1)	2,598		2,598	
Long-term debt, due in more than one year (Note 5)	1,046,000		1,046,000	
TOTAL NONCURRENT LIABILITIES	1,589,897		1,589,897	
TOTAL LIABILITIES	1,725,211		1,725,211	
DEFERRED INFLOWS				
Pension related (Note 8)	131,148		131,148	
TOTAL DEFERRED INFLOWS	131,148		131,148	
NET ASSETS				
Net investment in capital assets	1,009,189		1,009,189	
Unrestricted	741,215		741,215	
Total Net Position	\$1,750,404		\$1,750,404	

See Accompanying Notes to the Basic Financial Statements

CITY OF SUTTER CREEK

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

FOR THE YEAR ENDED JUNE 30, 2015

	Major Enterprise Fund	Non- major Enterprise Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
	Wastewater Fund	Noble Ranch Golf Fund		
OPERATING REVENUES				
Service charges	\$1,689,957		\$1,689,957	
TOTAL OPERATING REVENUES	1,689,957		1,689,957	
OPERATING EXPENSES				
Administration	950		950	
Salaries and benefits	484,527		484,527	
Operation and maintenance	896,405		896,405	
Depreciation	80,402		80,402	
TOTAL OPERATING EXPENSES	1,462,284		1,462,284	
OPERATING INCOME (LOSS)	227,673		227,673	
NONOPERATING REVENUES (EXPENSES)				
Interest income	90,887		90,887	
Interest expense	(28,306)		(28,306)	
TOTAL NONOPERATING REVENUES (EXPENSES)	62,581		62,581	
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3)				\$42,246
Transfers (out) (Note 3)	(42,246)	(\$25,000)	(67,246)	
TOTAL OTHER FINANCING SOURCES (USES)	(42,246)	(25,000)	(67,246)	42,246
Change in net assets	248,008	(25,000)	223,008	42,246
BEGINNING NET POSITION, AS ADJUSTED (Note 1F)	1,502,396	\$25,000	1,527,396	(42,246)
ENDING NET POSITION	\$1,750,404		\$1,750,404	

See Accompanying Notes to the Basic Financial Statements

CITY OF SUTTER CREEK
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015

	Wastewater Fund	Noble Ranch Golf Fund	Totals	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:				
Cash received from customers	\$1,719,257		\$1,719,257	
Cash paid to suppliers	(900,775)		(900,775)	
Cash paid to employees and related benefits	(492,198)		(492,198)	
Cash Flows from Operating Activities	<u>326,284</u>		<u>326,284</u>	
Cash Flows from Capital and Related Financing Activities				
Debt principal paid	(16,000)		(16,000)	
Interest paid	(96,308)		(96,308)	
Cash Flows from Capital and Related Financing Activities	<u>(112,308)</u>		<u>(112,308)</u>	
Cash Flows from Investing Activities				
Interest received	<u>90,845</u>		<u>90,845</u>	
Cash Flows from Investing Activities	<u>90,845</u>		<u>90,845</u>	
Increase in cash and cash equivalents	304,821		304,821	
Cash and cash equivalents, beginning of year	<u>667,719</u>		<u>667,719</u>	
Cash and cash equivalents, end of year	<u><u>\$972,540</u></u>		<u><u>\$972,540</u></u>	
Reconciliation of Operating Income from operations to cash provided by operating activities:				
Operating income	\$227,673		\$227,673	
Adjustments to reconcile operating income to cash provided by operating activities:				
Depreciation	80,402		80,402	
(Decrease) increase in due to retirement system	(13,733)		(13,733)	
(Increase) decrease in assets:				
Accounts receivable	(15,307)		(15,307)	
Due from other governments	44,607		44,607	
(Decrease) increase in liabilities:				
Accounts payable	6,985		6,985	
Accrued expenses	(12,208)		(12,208)	
Deposits payable	1,803		1,803	
OPEB	824		824	
Accrued compensated absences	<u>5,238</u>		<u>5,238</u>	
Cash Flows from Operating Activities	<u><u>\$326,284</u></u>		<u><u>\$326,284</u></u>	
Non-cash transactions:				
Interfund transfers	<u><u>(\$42,246)</u></u>	<u><u>(\$25,000)</u></u>	<u><u>(\$67,246)</u></u>	<u><u>\$42,246</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF SUTTER CREEK
AGENCY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and investments (Note 2)	\$48,080
Accounts receivable	2,000
Due from other governments	<u>239</u>
Total Assets	<u><u>\$50,319</u></u>
LIABILITIES	
Accounts payable	\$5,595
Due to other governments	<u>44,724</u>
Total Liabilities	<u><u>\$50,319</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Sutter Creek was incorporated in 1913, under the laws and regulations of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, sewer, culture-recreation, public improvements, planning and zoning, and general administrative services. The voters of the City of Sutter Creek, California, give authority and responsibility for operations to the City Council. The City Council has the authority to employ administrative and support personnel to carry out its directives. The primary method used to monitor the performance of the City's management is the financial budget, which is adopted annually by the City Council.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. GASB issues a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements.

Reporting Entity: The City operates as a self-governing local government unit within the state of California. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. Voters elect a city council that passes laws and determines broad policies. The Council also oversees the operations of the City and approves all budgets, fund transfers and fund balance reserves. The City's main funding sources include property taxes, sales taxes, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance.

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

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. Certain indirect costs are included in the program expenses of most business-type activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, 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 properly 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 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, proprietary funds, and fiduciary funds, even though the last is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- A. Measurement Focus, Basis of Accounting and Basis of Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements and fiduciary fund statements, with the exception of agency funds, which have no measurement focus. 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 are 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 be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period with the exception of grant-related government voluntary nonexchange revenue. The City considers grant related government voluntary nonexchange revenues to be available if they are collected within 365 days of the end of the end of the current fiscal period. 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 and claims and judgments are recorded only when payment is due.

Major revenues that are determined to be susceptible to accrual include property taxes and assessments, sales taxes, franchise taxes, charges for services, intergovernmental revenues, and earnings on investments. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues (government mandated nonexchange transactions) are recognized when the City has satisfied all applicable eligibility requirements and if the amounts are measurable. If the grant funds are received before the revenue recognition criteria are satisfied, the unearned amounts are reported as unearned revenue.

The City reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Badger Street Bridge Grant Capital Project Fund – The Badger Street Bridge Grant Fund is used to account for the planning and construction of improvements to the Badger Street Bridge project.

Traffic Mitigation Special Revenue Fund – The Traffic Mitigation Fund is the collection and expenditure of developer fees used for Traffic Mitigation.

Additionally, the City reports the following fund types:

GOVERNMENTAL FUNDS

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (not including private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Projects Funds – Capital Funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

PROPRIETARY FUNDS

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City reports the following major enterprise fund:

Wastewater Fund – The Wastewater Operations Fund is used to account for sewer collection system and pollution control plant operations including major repair and replacement of the City's pollution control plant facilities.

Internal Service Fund – Internal Service Fund was used to account for the financing of services provided by one city department to other departments on a cost reimbursement basis. The City closed the Internal Service Fund during fiscal year 2015.

Fiduciary Funds

Agency Funds – Agency Funds account for assets held by the City in a purely custodial capacity. Agency Funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 principle operating revenues of the City's enterprise funds and internal service funds are charges to customers or other funds for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents: The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including the City's investment in California Local Agency Investment Fund (LAIF). Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Balances: Transactions between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Eliminations have not been made between or within the fund types.

The City has provided an allowance for doubtful accounts of \$66,678 at June 30, 2015 primarily related to its wastewater operations estimated by the City to be uncollectible.

Property Taxes: The County of Amador (the County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The City recognizes property taxes when the individual installments are due provided they are collected within 90 days after year end. Secured property taxes are levied on or before January 1 of each year. They become a lien on real property on January 1. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, costs and interest when paid. These taxes are secured by liens on the property being taxed.

The term “unsecured” refers to taxes on personal property other than land and buildings. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan,” as prescribed by Section 4717 of the California Revenue and Taxation code. Therefore, the City receives 100% of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

These taxes are accrued as intergovernmental receivables only if they are received from the County within 90 days after year end for the governmental funds and are accrued when earned for government-wide presentation regardless of the timing of the related cash flows.

Capital Assets: Capital assets for governmental fund types of the City are not capitalized in the funds used to acquire or construct them. Capital acquisitions are to be reflected as expenditure in the governmental fund, and the related assets are to be reported in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are to be recorded at their estimated fair market value on the date donated. At June 30, 2015, the City had not recorded donated assets, as required under generally accepted accounting principles.

Public domain (infrastructure) capital assets consisting of certain improvements other than buildings, but including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are required to be capitalized prospectively beginning July 1, 2003. However, the City has only recorded infrastructures in recent years, and has not recorded all infrastructures prospectively beginning July 1, 2003, as required under generally accepted accounting principles.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the additions to capital assets. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 to 50 years
Wastewater facilities and treatment plant	25 to 50 years
Machinery and equipment	5 to 20 years

It is the policy of the City to capitalize all land, buildings, improvements, equipment, and infrastructure assets, except assets costing less than \$5,000. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the amounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related proprietary fund. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale. The proceeds reported in the governmental fund are eliminated and the gain or loss on sale is reported in the government-wide presentation.

Unearned and Unavailable Revenues: Unearned revenues arise when resources are received by the City before it has legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenditures). Unavailable revenues in governmental funds arise when a potential revenue source does not meet both the "measurable" and "available" criteria for recognition in the current period. Revenues considered unavailable because they were not received in the availability period are recognized for the government-wide presentation.

- B. Compensated Absences: It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time off and administrative leave. Vacation is accrued when incurred in the government-wide presentation and in the proprietary funds and reported as a fund liability. Amounts that are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations or retirements that are currently payable are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources represent a reconciling item between the fund and government-wide presentation. No expenditure is reported in the governmental fund financial statements for these amounts. The General Fund and Wastewater Fund are used to liquidate compensated absences. The changes of the compensated absences during the fiscal year ended June 30, 2015 were as follows:

	Balance June 30, 2014	Additions	Payments	Balance June 30, 2015	Due Within One Year
Governmental Activities	\$ 31,015	\$ 47,311	\$ (50,969)	\$ 27,357	\$ 20,518
Business-Type Activities	5,152	31,182	(25,944)	10,390	7,792
Total	<u>\$ 36,167</u>	<u>\$ 78,493</u>	<u>\$ (76,913)</u>	<u>\$ 37,747</u>	<u>\$ 28,310</u>

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- C. Long-term Obligations: Long-term debt of governmental funds are reported at face value in the government-wide financial statements and represent a reconciling item between the fund and government-wide presentation. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide financial statements and represent a reconciling item between the fund and government-wide presentation. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, proceeds from borrowing are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

- D. Deferred Inflows and Deferred Outflows of Resources: In addition to assets, the statement of financial position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

- E. Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

- F. Budgetary Information: The City Council annually adopts the budget resolution for all operating funds of the City. Budgetary control is legally maintained at the fund level. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30.

All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year. Amounts shown in the financial statements represent the original budgeted amounts and all supplemental appropriations. The supplemental appropriations were immaterial. The budgetary data is prepared on the modified accrual basis consistent with the related "actual" amounts. The City does not use encumbrance accounting.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following funds are not budgeted:

- Traffic Enhancement Activity Special Revenue Fund
- Traffic and Safety Special Revenue Fund
- Crestview Lighting District Special Revenue Fund
- Police Grants Special Revenue Fund
- Community Center Grant Special Revenue Fund
- Prospect Bowers Capital Projects Fund
- Central Eureka Mine Project Special Revenue Fund
- Sutter Creek Bridge Replacement Capital Projects Fund
- Badger Street Capital Projects Fund

Excess Expenditures Over Appropriations: The following funds had excess expenditures over appropriations:

	<u>Expenditures in Excess of Appropriations</u>
Nonmajor Special Revenue Funds:	
Gas Tax Special Revenue Fund	\$11,625

Deficit Fund Equity: The following funds have fund deficits at June 30, 2015:

	<u>Amount</u>
Badger Street Bridge Replacement Capital Projects Fund	\$61,879
Traffic Enhancement Activity Special Revenue Fund	147,358

G. New GASB Pronouncements and Prior Period Adjustment: Management adopted the provisions of the following GASB Statements, which became effective during the year ended June 30, 2015.

- GASB Statement No. 68 – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The intention of this Statement is to improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense.
- GASB Statement No. 71 – In 2014, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The intention of this Statement is to eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities.

The implementation of the above Statements required the City to make prior period adjustments. As a result, the beginning net positions were reduced by \$2,001,523 for Governmental Activities and \$632,824 for the Business Type Activities Wastewater Enterprise Fund. See Note 8 for additional information.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Closed Funds: In fiscal year 2015, the City closed the following funds: Plymouth Pipeline Special Revenue Fund, Cal Trans. Street Fund Special Revenue Fund, Reserve Fund Special Revenue Fund, SB621 Gaming Grant Fund Special Revenue Fund, Prospect Bowers Capital Project Fund, Noble Ranch Golf Enterprise Fund and Internal Service Fund.

NOTE 2 – CASH AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds. Cash represents cash on hand, demand deposits in the bank and amounts invested in the State of California Local Agency Investment Fund (LAIF). Cash and investments at June 30, 2015, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments of the City	\$ 2,049,980
Cash and investments in Fiduciary Funds (separate statement):	
Cash and investments	48,080
Total cash and investments	<u>\$ 2,098,060</u>

Cash and investments as of June 30, 2015 consisted of the following:

Cash on hand	\$ 500
Deposits with financial institutions	173,010
Investments	1,924,550
Total cash and investments	<u>\$ 2,098,060</u>

Investment policy: California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury obligations	2 Years	None	None
U.S. Agency Securities	2 Years	50%	None
Local Agency Bonds	2 Years	50%	None
Certificates of Deposit	2 Years	50%	None
Investment Pool	N/A	None	None
LAIF	N/A	None	None

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 2 – CASH AND INVESTMENTS (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment in LAIF has an average maturity of 239 days.

Investment	Total	Remaining Maturity (in Months)
		12 Months or Less
Money Market Fund	\$930,084	\$930,084
LAIF	375,024	375,024
Central San Joaquin Valley Risk Management Authority Pool	619,442	619,442
	<u>\$1,924,550</u>	<u>\$1,924,550</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of the City's cash on deposit. All of the City's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in the City's name.

Investment in LAIF: The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

Investment in Central San Joaquin Valley Risk Management Authority Investment Pool (CSJVRM): The City reports its investment in CSJVRM at the fair value amount provided by CSJVRM, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by CSJVRM, which are recorded on an amortized cost basis. Included in CSJVRM's investment portfolio are commercial paper, negotiable CDs, United States Treasury Notes and Bills, and Corporate Securities and Agency Funds.

Investment	Minimum Legal Rating	Total	Not Rated
Money Market Fund	AAAm	\$930,084	
LAIF	N/A	375,024	\$375,024
Central San Joaquin Valley Risk Management Authority Pool	N/A	619,442	619,442
		<u>\$1,924,550</u>	<u>\$ 994,466</u>

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 – INTERFUND TRANSACTIONS

All due to/from other funds represent temporary loans from the General Fund to cover cash flow shortfalls and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2015 interfund balances were as follows:

Due To	Due From	Amount Owed
Special Revenue Funds		
Badget Street Bridge Grant	General Fund	\$190,100
Traffic Enhancement Activity	General Fund	119,958
Police Grants	General Fund	93
		\$310,151

The City had the following transfers in/out for the year ended June 30, 2015:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
Governmental Activities	Noble Ranch Golf Enterprise Fund	\$25,000 (a)
General Fund	Reserve Special Revenue Fund	701,771 (a)
	Prospect Bowers Drain Capital Projects Fund	22 (a)
SB 621 Gaming Grant Special Revenue Fund	General Fund	11,322 (a)
Prospect Bowers Drain Capital Projects Fund	General Fund	8,721 (a)
Internal Service Fund	Wastewater Enterprise Fund	42,246 (a)
		\$789,082

(a) Transfer to close the fund.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 – CAPITAL ASSETS

Governmental activities capital assets activities for the year ended June 30, 2015 was as follows:

	Balance at June 30, 2014	Additions	Transfers	Balance at June 30, 2015
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$1,287,461			\$1,287,461
Construction in progress	3,814,899	\$508,641	(\$1,926,017)	2,397,523
Total capital assets, not being depreciated	5,102,360	508,641	(1,926,017)	\$3,684,984
Capital assets, being depreciated:				
Buildings and improvements	3,776,418			3,776,418
Infrastructure	983,689		1,951,017	2,934,706
Machinery and equipment	393,976	31,817		425,793
Total capital assets being depreciated	5,154,083	31,817	1,951,017	7,136,917
Less accumulated depreciation for:				
Buildings and improvements	(3,343,688)	(21,636)		(3,365,324)
Infrastructure	(54,650)	(97,824)		(152,474)
Machinery and equipment	(309,148)	(33,797)		(342,945)
Total accumulated depreciation	(3,707,486)	(153,257)		(3,860,743)
Capital assets being depreciated, net	1,446,597	(121,440)	1,951,017	3,276,174
Governmental Activities capital assets, net	\$6,548,957	\$387,201	\$25,000	\$6,961,158

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 – CAPITAL ASSETS (Continued)

Business-type capital assets activities for the year ended June 30, 2015 was as follows:

	Balance at June 30, 2014	Additions	Transfers	Balance at June 30, 2015
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$596,362			\$596,362
Construction in progress	25,000		\$25,000	
Total capital assets, not being depreciated	621,362		25,000	\$596,362
Capital assets, being depreciated:				
Buildings and improvements	328,791			328,791
Wastewater facilities	2,169,275			2,169,275
Sewer treatment plant	1,722,785			1,722,785
Machinery and equipment	124,561			124,561
Total capital assets being depreciated	4,345,412			4,345,412
Less accumulated depreciation for:				
Buildings and improvements	(324,797)	(\$1,996)		(326,793)
Wastewater facilities	(1,360,398)	(39,473)		(1,399,871)
Sewer treatment plant	(990,342)	(33,548)		(1,023,890)
Machinery and equipment	(113,646)	(5,385)		(119,031)
Total accumulated depreciation	(2,789,183)	(80,402)		(2,869,585)
Capital assets being depreciated, net	1,556,229	(80,402)		1,475,827
Business-type Activities capital assets, net	\$2,177,591	(\$80,402)	\$25,000	\$2,072,189

NOTE 5 – LONG-TERM DEBT

	Balance June 30, 2014	Retirements	Balance June 30, 2015	Due Within One Year
Business-Type Activities				
Loans Payable				
U.S. Department of Agriculture	\$629,000	(\$16,000)	\$613,000	\$17,000
Amador Regional Sanitation Authority	450,000		450,000	
Total Business-type Activity Debt	\$1,079,000	(\$16,000)	\$1,063,000	\$17,000

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 5 – LONG-TERM DEBT

U.S. Department of Agriculture (USDA) Loan Payable: The City's Wastewater Enterprise Fund has a loan payable to the USDA Rural Development Program to finance certain capital improvements to City's sewer collection system. Principal payments are due annually on May 1. Interest payments, at an interest rate of 4.5%, are due semi-annually on November 1 and May 1. The scheduled annual minimum debt service requirements at June 30, 2015 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$17,000	\$27,586	\$44,586
2017	18,000	26,820	44,820
2018	18,000	26,010	44,010
2019	19,000	25,200	44,200
2020	20,000	24,346	44,346
2021-2025	115,000	107,428	222,428
2026-2030	143,000	79,066	222,066
2031-2035	179,000	43,742	222,742
2036-2037	84,000	5,716	89,716
	\$613,000	\$365,914	\$978,914

Amador Regional Sanitation Authority (ARSA) Loan Payable: The City of Sutter Creek participates as a one of three members of the Amador Regional Sanitation Authority (ARSA). This joint powers authority, comprised of the City of Sutter Creek, the City of Amador City and the County of Amador, serves its members by facilitating and acquiring items needed for the disposal and discharging of treated effluent generated by its member agencies. A five member board, consisting of two County Supervisors, two Sutter Creek City Councilmembers and one Amador City Councilmember, holds regularly scheduled monthly meetings.

In March 2006, the City of Sutter Creek and ARSA jointly funded the acquisition of an easement costing \$750,000. The easement provides for the eventual delivery of effluent (pipeline easement) to a spray field for the discharging of partially treated effluent. These facilities are to provide additional effluent disposal areas for ARSA. The timing of this development is unknown at this time (see Note 10A disclosure on developer agreement). The agreement with ARSA calls for the construction of a pipeline along the easement and for the proper discharge of effluent once the Gold Rush Golf development occurs. The City's agreement with Gold Rush Golf calls for the construction of the pipeline by the developer.

The City provided \$300,000 of the funding of the easement while ARSA provided the remaining \$450,000. The purchase agreement calls for the City to reimburse ARSA the principal of \$450,000 plus interest at the State Treasurer's LAIF rate. Principal amounts were originally scheduled as follows:

\$50,000 due on June 30, 2008
\$50,000 due on June 30, 2009
\$50,000 due on June 30, 2010
\$100,000 due on June 30, 2011
\$100,000 due on June 30, 2012
\$100,000 due on June 30, 2013

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 5 – LONG-TERM DEBT (Continued)

Since the existing ARSA system is adequate at this time and economic conditions currently exist preventing the development of the Gold Rush Golf development, the pipeline and spray field easement is not needed. For this reason, the City has requested a delay from ARSA in the repayment schedule. The most recent deferral approved by ARSA grants the City a delay until August 2014. As of June 30, 2015, the City had not made any repayments, and it had not received another formal deferment. If the Gold Rush Golf development does not occur, the City intends to use sewer connection fees and sewer rate charges for making the repayments to ARSA. The City has recorded a liability for this repayment in the Wastewater Enterprise Fund. Subsequent to June 30, 2015, on April 27, 2016, ARSA Governing Board approved a one year extension of the commencement date of repayment of interest and principal to begin on August 28, 2017.

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description: For employees who retired prior to July 1, 2012 and employees hired on before July 1, 2012 who subsequently retire from City service, the City will contribute \$105 per month toward retiree medical premiums for those retirees enrolled in the City sponsored medical plan. Employees hired on or after July 1, 2012 are not eligible for postretirement coverage. There are currently five retirees, none of whom participate in the City-sponsored medical plan.

Funding Policy: The City Council did not prefund the plan in the current year. The City Council will review the funding requirements and policy annually.

The annual required contribution (ARC) was determined as part of a July 1, 2012 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 2.0% investment rate of return, (b) 3.0% projected annual salary increase, (c) 2.75% general inflation increases, and (d) Healthcare cost trend rates were selected based on a combination of national and state trend surveys as well as professional judgment. Since the retiree benefit is capped at a specific dollar amount, there is no provision for future increases included in the calculation. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over fixed 30 year closed amortization period.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

During the fiscal year ended June 30, 2015, the City recorded the net OPEB obligation, representing the difference between the ARC and contributions as presented below:

Annual required contribution	\$7,621
Interest on net OPEB obligation	303
Adjustment to annual required contribution	<u>(438)</u>
Annual OPEB cost (expense)	\$7,486
Contributions made (premium payments)	<u>(3,150)</u>
Increase in net OPEB obligation	4,336
Net OPEB obligation, beginning of year	<u>7,824</u>
Net OPEB obligation, end of year	<u><u>\$12,160</u></u>

The City's annual OPEB cost, the percentage of annual OPEB costs contributed to the plan and the net OPEB obligation for the year ended June 30, 2015 is as follows:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$7,621	\$0	0%	\$7,621
6/30/2014	7,553	7,350	97%	7,824
6/30/2015	7,486	3,150	42%	12,160

NOTE 7 – NET POSITION AND FUND BALANCE

Fund Equity: In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which comprise pre-paid items and long-term receivables. The City does not have any nonspendable funds.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the City Council modifies, or removes the fund balance commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 7 – NET POSITION AND FUND BALANCE (Continued)

Unassigned Funds – Unassigned fund balance is the residual classification of the City's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

The City's committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classification could be used.

Net Position: The government-wide financial statements utilize a net position presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the City not restricted for any project or other purpose.

The City Council establishes, modified or rescinds fund balance commitments and assignments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The City's committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The following are the components of the Governmental Funds fund balances:

Fund Balance Classifications	General Fund	Badger Street Bridge Grant Fund	Traffic Enhancement Activity Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:					
Street and bridge projects				\$599,720	\$599,720
Public safety projects				16,226	16,226
Community projects				193,492	193,492
Total Restricted				809,438	809,438
Committed for:					
Projects/purposes approved by Council	\$701,771				701,771
Unassigned	145,326	(\$42,978)	(147,358)		(45,010)
Total Fund Balances	\$847,097	(\$42,978)	(\$147,358)	\$809,438	\$1,466,199

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 8 – PENSION PLANS

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

General Information about the Pension Plans

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

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<i>City Miscellaneous Plan</i>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 3.0%	1.0% to 2.5%
Required employee contribution rates	7.0%	8.0%
Required employer contribution rates	33.95%	6.5%

	<i>City Safety Plan</i>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%
Required employer contribution rates	32.013%	11.5%

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 8 – PENSION PLANS (Continued)

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

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>City Safety Plan</u>
Contributions - employer	\$116,766
	<u>City Miscellaneous Plan</u>
Contributions - employer	\$101,780

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

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

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
City Safety Plan	\$950,642
City Miscellaneous Plan	1,314,608
Total Net Pension Liability	<u>\$2,265,250</u>

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 8 – PENSION PLANS (Continued)

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	<u>City Safety Plan</u>
Proportion - June 30, 2013	0.02495%
Proportion - June 30, 2014	0.02534%
Change - Increase (Decrease)	0.00039%

	<u>City Miscellaneous Plan</u>
Proportion - June 30, 2013	0.05014%
Proportion - June 30, 2014	0.05319%
Change - Increase (Decrease)	0.00305%

For the year ended June 30, 2015, the City recognized pension expense of \$32,635. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$218,546	
Differences between actual and expected experience		
Changes in assumptions		
Net difference between projected and actual earnings on pension plan investments		\$553,883
Adjustments due to differences in proportion	22,721	23,846
Total	<u>\$241,267</u>	<u>\$577,729</u>

\$218,546 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2015	(\$138,873)
2016	(138,873)
2017	(138,789)
2018	(138,473)

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 8 – PENSION PLANS (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2014, the total pension liabilities were determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

	All Plans	
Valuation Date		June 30, 2013
Measurement Date		June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate		7.5%
Inflation		2.75%
Projected Salary Increase		(1)
Investment Rate of Return		7.5% (2)
Mortality	Derived using CalPers Membership Data for all Funds (3)	
	Contract COLA up to 2.75% until Purchasing Power Protection	
Post Retirement Benefit Increase	Allowance Floor on Purchasing Power applies, 2.75% thereafter	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment and administrative expenses; includes inflation

(3) 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. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.

(4) All of the City's plans for miscellaneous and safety, and the District's plan's employed the same assumptions

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 8 –PENSION PLANS (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this 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 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS deemed this difference immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

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 stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

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

Asset Class	New	Real Return	Real Return
	Strategic Allocation	Years 1 - 10(a)	Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

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

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

<p style="text-align: center;">CITY OF SUTTER CREEK NOTES TO BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2015</p>

NOTE 8 –PENSION PLANS (Continued)
--

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>City Safety Plan</u>
1% Decrease	6.50%
Net Pension Liability	\$1,532,867
Current Discount Rate	7.50%
Net Pension Liability	\$950,642
1% Increase	8.50%
Net Pension Liability	\$470,915
	<u>City Miscellaneous Plan</u>
1% Decrease	6.50%
Net Pension Liability	\$2,106,798
Current Discount Rate	7.50%
Net Pension Liability	\$1,314,608
1% Increase	8.50%
Net Pension Liability	\$657,165

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 9 – INSURANCE

The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA). CSJVRMA is a joint powers authority organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide liability insurance. CSJVRMA provides claims processing administrative services, risk management services and actuarial studies. The City Council does not have significant oversight responsibility, since they evenly share all factors of responsibility with other agencies. The City does not retain the risk of loss. However, ultimate liability for payment of claims and insurance premiums resides with member agencies. CSJVRMA is empowered to make supplemental assessments as needed to eliminate deficit positions of member agencies. If CSJVRMA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance. CSJVRMA establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The audited financial statements of the CSJVRMA are available at the CSJVRMA's office.

The City's insurance coverage and the respective coverage providers are as follows:

Amount	Coverage Provider	Payment Source
LIABILITY CLAIMS		
\$10,000	Self Insurer	City funds
\$10,001 - \$1,000,000	Central San Joaquin Valley Risk Management Authority	Shared risk pool
\$4,000,000 - \$15,000,000	AmTrust Reinsurance Group via CARMA	Purchased Insurance
\$14,000,001 - \$10,000,000	Colony Natl Insurance Co. via CARMA	Purchased Insurance
WORKERS COMPENSATION:		
\$10,000	Self Insurer	City funds
\$10,001 - \$500,000	Central San Joaquin Valley Risk Management Authority	Shared risk pool
\$500,001 - \$5,000,000	Local Agency Workers' Comp Excess JPA (LAWCX)	Excess Pool
\$5,000,001 - \$45,000,000	CSAC Excess insurance Authority via CSJVRMA	Purchased Insurance
\$50,000,001 - Statutory Limit	Natl Union Fire Insurance Co (AJG) via CSJVRMA	Purchased Insurance

There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Also, settled claims have not exceeded insurance coverage for the past three fiscal years.

CITY OF SUTTER CREEK
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions, when finally adjudicated, will not have a material adverse effect on the financial condition of the City.

The City participates in a number of Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government.

Developer Agreement: The City entered into an agreement in January 2010 with the Gold Rush Golf LLC. The agreement provides parameters for the development of a master plan community encompassing approximately 900 acres on the west side of the City. The development as pursued by Gold Rush Golf LLC and its successor entities are also controlled and limited by the various environmental and planning approvals obtained through the various approval processes stipulated by State law.

The agreement calls for the installation of a variety of public improvements that will serve the prospective development. Some of those improvements involve the City's sewage treatment plant. At this time, the site for the master plan community remains undeveloped and no new planning approvals have been sought by the developers. Given the state of the economy and the housing industry, it is unknown as to the timing of its development. The City has not initiated any plans for the expansion of its sewage treatment plan nor the related licensing, capacity and discharge limitations subject to State approval. The City has not recorded any obligation for any prospective public improvements associated with the development.

Contractual Arrangements: During the course of normal business the City enters into a variety of contractual arrangements for services and supplies. As of the balance sheet date the amount of these contractual arrangements total \$44,147 for various vendors.

NOTE 11 – FINANCIAL DIFFICULTIES

The City plans to hold General Fund full-time staffing levels the same for the upcoming fiscal year of 2015/16 while expecting to experience an improved revenue picture. The City has actively sought revenue leakage areas and has reduced unnecessary expenditures.

For the most recent few years, the City has acted aggressively in reducing its General Fund spending and expects to continue experiencing benefits from these reductions in future years. The City also understands the importance of establishing a formal long-term plan to prevent an accumulated deficit in the General Fund. The recently adopted budgets provide the foundation for the task of eliminating the accumulated deficit.

The City has continued its aggressive approach in budgeting expenses, and anticipating revenues. The City expects to set aside 4% of its General Fund revenues this fiscal year in anticipation of beginning to budget a reserve.

REQUIRED SUPPLEMENTARY INFORMATION

<p align="center">CITY OF SUTTER CREEK REQUIRED SUPPLEMENTAL INFORMATION For the Year Ended June 30, 2015</p>
--

Cost-Sharing Multiple-Employer Defined Pension Plan
Last 10 Years*

**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE**

	<u>City Miscellaneous Plan</u> <u>2015</u>
Plan's proportion of the Net Pension Liability (Asset)	0.02113%
Plan's proportion share of the Net Pension Liability (Asset)	\$1,314,608
Plan's Covered Employee Payroll	354,353
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	370.99%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.99%
Plan's Proportionate Share of Aggregate Employer Contributions	125,929

	<u>City Safety Plan</u> <u>2015</u>
Plan's proportion of the Net Pension Liability (Asset)	0.01528%
Plan's proportion share of the Net Pension Liability (Asset)	\$950,642
Plan's Covered Employee Payroll	437,001
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	217.54%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78.13%
Plan's Proportionate Share of Aggregate Employer Contributions	96,145

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

<p align="center">CITY OF SUTTER CREEK REQUIRED SUPPLEMENTAL INFORMATION For the Year Ended June 30, 2015</p>
--

Cost-Sharing Multiple Employer Defined Pension Plan
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

	<div> <div>City Miscellaneous Plan</div> <div>2015</div> </div>
Actuarially determined contribution	\$102,379
Contributions in relation to the actuarially determined contributions	(102,379)
Contribution deficiency (excess)	\$0
Covered-employee payroll	\$354,353
Contributions as a percentage of covered-employee payroll	28.89%
	<div> <div>City Safety Plan</div> <div>2015</div> </div>
Actuarially determined contribution	\$106,955
Contributions in relation to the actuarially determined contributions	(106,955)
Contribution deficiency (excess)	\$0
Covered-employee payroll	\$437,001
Contributions as a percentage of covered-employee payroll	24.47%

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2%, depending on Age, Service and type of employment
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	59 yrs. Misc., 54 yrs. Safety

Mortality

The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

<p align="center">CITY OF SUTTER CREEK REQUIRED SUPPLEMENTAL INFORMATION For the Year Ended June 30, 2015</p>
--

City of Sutter Creek
Other Post Employment Benefits (OPEB)
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2012	\$0	\$49,137	\$49,137	0%	\$870,812	6%

SUPPLEMENTARY INFORMATION

CITY OF SUTTER CREEK
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	SPECIAL REVENUE FUNDS			
	Traffic and Safety Fund	Gas Tax Fund	Crestview Lighting District Fund	Local Transportation Commission Fund
ASSETS				
Cash and investments	\$71,160	\$84,427	\$558	\$83,802
Accounts receivable			632	
Due from other governmental agencies				
Interest Receivable	6	7		7
	<u>6</u>	<u>7</u>		<u>7</u>
TOTAL ASSETS	<u>\$71,166</u>	<u>\$84,434</u>	<u>\$1,190</u>	<u>\$83,809</u>
LIABILITIES				
Accounts payable		\$12,405	\$27	
Accrued liabilities		892		
Due to other funds				
Due to other governments				
	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL LIABILITIES	<u></u>	<u>13,297</u>	<u>27</u>	<u></u>
FUND BALANCE				
Restricted	\$71,166	71,137	1,163	\$83,809
	<u>\$71,166</u>	<u>71,137</u>	<u>1,163</u>	<u>\$83,809</u>
TOTAL FUND BALANCES	<u>71,166</u>	<u>71,137</u>	<u>1,163</u>	<u>83,809</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$71,166</u>	<u>\$84,434</u>	<u>\$1,190</u>	<u>\$83,809</u>

Cemetery Fund	FEMA Fund	Plymouth Pipeline Fund	Cal Trans. Street Fund	AB 1600 Fund	Reserve Fund
\$7,738	\$12,507			\$5,471	
1	1				
<u>\$7,739</u>	<u>\$12,508</u>			<u>\$5,471</u>	
<u>\$7,739</u>	<u>\$12,508</u>			<u>\$5,471</u>	
<u>7,739</u>	<u>12,508</u>			<u>5,471</u>	
<u>\$7,739</u>	<u>\$12,508</u>			<u>\$5,471</u>	

(Continued)

CITY OF SUTTER CREEK
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	SPECIAL REVENUE FUNDS			
	SB 621 Gaming Grant Fund	Police Grants Funds	Cal Trans ADA Fund	HOME Grant Fund
ASSETS				
Cash and investments			\$32,972	\$67
Accounts receivable				
Due from other governmental agencies		\$3,811		
Interest Receivable				
TOTAL ASSETS		\$3,811	\$32,972	\$67
LIABILITIES				
Accounts payable				
Accrued liabilities				
Due to other funds		\$93		
Due to other governments				
TOTAL LIABILITIES		93		
FUND BALANCE				
Restricted		3,718	\$32,972	\$67
TOTAL FUND BALANCES		3,718	32,972	67
TOTAL LIABILITIES AND FUND BALANCES		\$3,811	\$32,972	\$67

SPECIAL REVENUE FUNDS					
Community Center Grant Fund	General Plan Update Fund	ACRA Regional Rec. Fees Fund	Broad Street Drain Fund	Central Eureka Mine Project Fund	Sutter Creek Bridge Replacement Fund
\$16,572	\$6	\$27,101	\$1,251	\$2,637	\$143,972
1		2	12		115,559 13
<u>\$16,573</u>	<u>\$6</u>	<u>\$27,103</u>	<u>\$1,263</u>	<u>\$2,637</u>	<u>\$259,544</u>
\$2,649				\$1	\$4,541
4,284					
6,933				1	4,541
9,640	\$6	\$27,103	\$1,263	2,636	255,003
9,640	6	27,103	1,263	2,636	255,003
<u>\$16,573</u>	<u>\$6</u>	<u>\$27,103</u>	<u>\$1,263</u>	<u>\$2,637</u>	<u>\$259,544</u>

(Continued)

CITY OF SUTTER CREEK
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	SPECIAL REVENUE FUND	CAPITAL PROJECT FUND	
	Traffic Mitigation Fund	Prospect Bowers Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$224,011		\$714,252
Accounts receivable			632
Due from other governmental agencies			119,370
Interest Receivable	26		76
	<u>224,037</u>	<u></u>	<u>834,330</u>
TOTAL ASSETS	<u>224,037</u>	<u></u>	<u>834,330</u>
LIABILITIES			
Accounts payable			\$19,623
Accrued liabilities			892
Due to other funds			93
Due to other governments			4,284
	<u></u>	<u></u>	<u>24,892</u>
TOTAL LIABILITIES	<u></u>	<u></u>	<u>24,892</u>
FUND BALANCE			
Restricted	\$224,037		809,438
	<u>224,037</u>	<u></u>	<u>809,438</u>
TOTAL FUND BALANCES	<u>224,037</u>	<u></u>	<u>809,438</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>224,037</u>	<u></u>	<u>834,330</u>

This Page Left Intentionally Blank

CITY OF SUTTER CREEK
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS			
	Traffic and Safety Fund	Gas Tax Fund	Crestview Lighting District Fund	Local Transportation Commission Fund
GOVERNMENTAL REVENUES				
Taxes and special assessments		\$67,201		
Interest and investment income	\$244	262	\$4	\$284
Intergovernmental revenues				
Charges for services				
Other revenues				
Total Revenues	244	67,463	4	284
EXPENDITURES				
Current:				
General government				
Public works and facilities	1,175	84,459	1,052	
Operation and maintenance				
Public safety				
Cultural and recreation				
Capital Outlay				
Total Expenditures	1,175	84,459	1,052	
OTHER FINANCING SOURCES				
Transfers in				
Transfers out				
Total Other Financing Sources				
NET CHANGE IN FUND BALANCE	(931)	(16,996)	(1,048)	284
FUND BALANCES BEGINNING OF YEAR	72,097	88,133	2,211	83,525
FUND BALANCES END OF YEAR	\$71,166	\$71,137	\$1,163	\$83,809

SPECIAL REVENUE FUNDS

Cemetery Fund	FEMA Fund	Plymouth Pipeline Fund	Cal Trans. Street Fund	AB 1600 Fund	Reserve Fund
\$31	\$42			\$15	
		\$13			
31	42	13		15	
1,010					
1,010					
					(\$701,771)
					(701,771)
(979)	42	13		15	(701,771)
8,718	12,466	(13)		5,456	701,771
\$7,739	\$12,508			\$5,471	

(Continued)

CITY OF SUTTER CREEK
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS			
	SB 621 Gaming Grant Fund	Police Grants Funds	Cal Trans ADA Fund	HOME Grant Fund
GOVERNMENTAL REVENUES				
Taxes and special assessments				
Interest and investment income		\$3		\$67
Intergovernmental revenues		13,426		
Charges for services				
Other revenues		8,317		
Total Revenues		21,746		67
EXPENDITURES				
Current:				
General government			\$2	
Public works and facilities				
Operation and maintenance				
Public safety		18,636		
Cultural and recreation				
Capital Outlay		6,859		
Total Expenditures		25,495	2	
OTHER FINANCING SOURCES				
Transfers in	\$11,322			
Transfers out				
Total Other Financing Sources	11,322			
NET CHANGE IN FUND BALANCE	11,322	(3,749)	(2)	67
FUND BALANCES BEGINNING OF YEAR	(11,322)	7,467	32,974	
FUND BALANCES END OF YEAR		\$3,718	\$32,972	\$67

SPECIAL REVENUE FUNDS					
Community Center Grant Fund	General Plan Update Fund	ACRA Regional Rec. Fees Fund	Broad Street Drain Fund	Central Eureka Mine Project Fund	Sutter Creek Bridge Replacement Fund
\$4	\$6	\$84	\$1,046	\$48,253	\$432
18,060				5,200	163,909
18,064	6	84	1,046	53,453	164,341
1,193					
2,947				1,984	100,197
4,140				1,984	100,197
13,924	6	84	1,046	51,469	64,144
(4,284)		27,019	217	(48,833)	190,859
\$9,640	\$6	\$27,103	\$1,263	\$2,636	\$255,003

(Continued)

CITY OF SUTTER CREEK
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUND	CAPITAL PROJECT FUND	Total Nonmajor Governmental Funds
	Traffic Mitigation Fund	Prospect Bowers Fund	
GOVERNMENTAL REVENUES			
Taxes and special assessments			\$67,201
Interest and investment income	\$1,081	\$22	3,627
Intergovernmental revenues		34,050	259,638
Charges for services	6,499		24,559
Other revenues			13,530
			<hr/>
Total Revenues	<hr/> 7,580	<hr/> 34,072	<hr/> 368,555
EXPENDITURES			
Current:			
General government	149,255		150,450
Public works and facilities		34,050	121,746
Operation and maintenance			
Public safety			18,636
Cultural and recreation			2,947
Capital Outlay			109,040
			<hr/>
Total Expenditures	<hr/> 149,255	<hr/> 34,050	<hr/> 402,819
OTHER FINANCING SOURCES			
Transfers in		8,721	20,043
Transfers out		(22)	(701,793)
			<hr/>
Total Other Financing Sources		<hr/> 8,699	<hr/> (681,750)
NET CHANGE IN FUND BALANCE	(141,675)	8,721	(716,014)
FUND BALANCES BEGINNING OF YEAR	<hr/> 365,712	<hr/> (8,721)	<hr/> 1,525,452
FUND BALANCES END OF YEAR	<hr/> <hr/> \$224,037	<hr/> <hr/>	<hr/> <hr/> \$809,438

CITY OF SUTTER CREEK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL -
 GAS TAX SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted</u> <u>Original and</u> <u>Final</u>	<u>Actual Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
REVENUES:			
Taxes and special assessments	\$89,808	\$67,201	(\$22,607)
Interest and investment income		262	262
TOTAL REVENUES	<u>89,808</u>	<u>67,463</u>	<u>(22,345)</u>
EXPENDITURES:			
Current:			
Public works and facilities	<u>72,834</u>	<u>84,459</u>	<u>(11,625)</u>
TOTAL EXPENDITURES	<u>72,834</u>	<u>84,459</u>	<u>(11,625)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>16,974</u>	<u>(16,996)</u>	<u>(33,970)</u>
Fund balances, beginning of year	<u>88,133</u>	<u>88,133</u>	
FUND BALANCES, END OF YEAR	<u><u>\$105,107</u></u>	<u><u>\$71,137</u></u>	<u><u>(\$33,970)</u></u>

This Page Left Intentionally Blank

AGENCY FUNDS

CITY OF SUTTER CREEK
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<u>Monteverde Store Fund</u>				
Assets				
Accounts receivable		\$2,000		\$2,000
		<u>\$2,000</u>		<u>\$2,000</u>
Liabilities				
Accounts payable		\$2,000		\$2,000
Total Liabilities		<u>\$2,000</u>		<u>\$2,000</u>
<u>Knights Foundry Fund</u>				
Assets				
Cash and investments	\$44,711			\$44,711
Total Assets	<u>\$44,711</u>			<u>\$44,711</u>
Liabilities				
Due to other governments	\$44,711			\$44,711
Total Liabilities	<u>\$44,711</u>			<u>\$44,711</u>
<u>Community Facilities District Fund</u>				
Assets				
Cash and investments	\$924	\$1		\$925
Due from other governments	239			239
Total Assets	<u>\$1,163</u>	<u>\$1</u>		<u>\$1,164</u>
Liabilities				
Accounts payable	\$1,163	\$1		\$1,164
Total Liabilities	<u>\$1,163</u>	<u>\$1</u>		<u>\$1,164</u>

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<u>ARSA Funds</u>				
Assets				
Cash and investments				
Due from other governments	\$6,854		\$6,854	
Total Assets	<u>\$6,854</u>		<u>\$6,854</u>	
Liabilities				
Accounts payable	\$1,046		\$1,046	
Other accrued liabilities	5,808		5,808	
Total Liabilities	<u>\$6,854</u>		<u>\$6,854</u>	
<u>Community Trust Fund</u>				
Assets				
Cash and investments	\$2,444			\$2,444
Total Assets	<u>\$2,444</u>			<u>\$2,444</u>
Liabilities				
Accounts payable	\$2,431			\$2,431
Due to other governments	13			13
Total Liabilities	<u>\$2,444</u>			<u>\$2,444</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets				
Cash and investments	\$48,079	\$1		\$48,080
Accounts receivable		2,000		2,000
Due from other governments	7,093		\$6,854	239
Total Assets	<u>\$55,172</u>	<u>\$2,001</u>	<u>\$6,854</u>	<u>\$50,319</u>
Liabilities				
Accounts payable	\$4,640	\$2,001	\$1,046	\$5,595
Other accrued liabilities	5,808		5,808	
Due to other governments	44,724			44,724
Total Liabilities	<u>\$55,172</u>	<u>\$2,001</u>	<u>\$6,854</u>	<u>\$50,319</u>

This Page Left Intentionally Blank