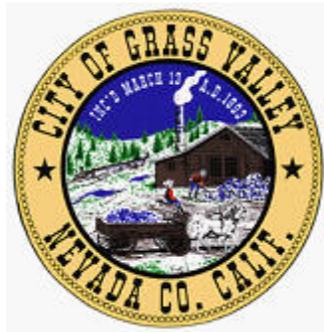


**CITY OF GRASS VALLEY, CALIFORNIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2019**



Prepared by:

**Finance Department**

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**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Table of Contents**

**Page**

**INTRODUCTORY SECTION**

**Table of Contents**.....i

**Letter of Transmittal**.....v

**Organization Chart** .....ix

**List of Officials**.....x

**FINANCIAL SECTION**

**Independent Auditors’ Report** ..... 1

**Management’s Discussion and Analysis (Required Supplementary Information)** .....3

**Basic Financial Statements:**

***Government-Wide Financial Statements:***

Statement of Net Position .....19

Statement of Activities .....20

***Fund Financial Statements:***

**Governmental Funds:**

Balance Sheet .....24

Reconciliation of Governmental Funds Balance Sheet to the  
Statement of Net Position .....26

Reconciliation of Fund Basis Balance Sheet to Government-wide  
Statement of Net Position – Governmental Activities.....27

Statement of Revenues, Expenditures, and Changes  
in Fund Balances – Governmental Funds .....28

Reconciliation of Fund Basis Statements to Government-wide  
Statement of Activities .....30

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities.....31

Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Budget to Actual – General Fund and  
Major Special Revenue Funds .....32

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Table of Contents, Continued**

---

	<u>Page</u>
<b>Basic Financial Statements, Continued:</b>	
<i>Fund Financial Statements, Continued:</i>	
<b>Proprietary Funds:</b>	
Statement of Net Position – Proprietary Funds .....	36
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	37
Statement of Cash Flows – Proprietary Funds .....	38
<b>Fiduciary Activities:</b>	
Statement of Fiduciary Net Position – Fiduciary Activities .....	40
Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds .....	41
<b>Notes to Basic Financial Statements</b> .....	45
<b>Required Supplementary Information:</b>	
Schedule of Changes in the Net OPEB Liability and Related Ratios.....	94
Net OPEB Liability Schedule of Contributions.....	95
Schedule of Contributions – Miscellaneous Plan .....	96
Schedule of Contributions – Safety Plan .....	97
Schedule of the City’s Proportionate Share of the Net Pension Liability – Miscellaneous Plan .....	98
Schedule of the City’s Proportionate Share of the Net Pension Liability – Safety Plan .....	99
<b>Other Supplemental Information:</b>	
<b>Combining and Individual Fund Financial Statements and Schedules:</b>	
<i>Nonmajor Governmental Funds:</i>	
Combining Balance Sheet .....	104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	105
<i>Nonmajor Special Revenue Funds:</i>	
Combining Balance Sheet .....	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	114
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Gas Tax.....	117
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Traffic Safety.....	118

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

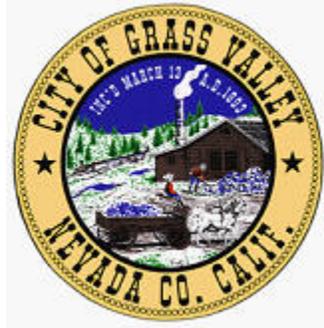
**Table of Contents, Continued**

**Page**

**Combining and Individual Fund Financial Statements and Schedules, Continued:**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – DUI Grant.....	119
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Impact Fees.....	120
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Downtown Assessment .....	121
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Fire Reserve .....	122
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – EPA Brownfield .....	123
Combining Balance Sheet – Maintenance District Funds .....	124
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Maintenance District Funds .....	126
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Maintenance District Funds.....	130
Combining Balance Sheet – Block Grant Funds .....	136
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Block Grant Funds .....	140
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Block Grant Funds.....	142
Combining Balance Sheet – Housing Funds .....	154
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Housing Funds .....	156
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Housing Funds.....	158
 <b><i>Nonmajor Permanent Funds:</i></b>	
Combining Balance Sheet .....	166
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	167
 <b><i>Agency Funds:</i></b>	
Combining Statement of Assets and Liabilities.....	169

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**Finance  
Department**

**March 4, 2020**

*Honorable Mayor and Members of the City Council,*

We are pleased to submit the City of Grass Valley Annual Financial Report for the fiscal year ended June 30, 2019. It is the policy of the Council that a licensed certified public accountant conducts an annual audit at the end of each fiscal year and issue a complete set of financial statements to be submitted to them.

The Annual Financial Report consists of management's representations concerning the City of Grass Valley's finances. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We believe that the data presented in this report is accurate in all material respects and all statements and disclosures needed for the reader to obtain a thorough understanding of the City's financial activities have been included.

The City's financial statements have been audited by JJACPA, Inc., a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2019 are fairly presented in conforming with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

State statutes require an annual audit of the City's financial records by independent certified public accountants. As noted above, the firm of JJACPA, Inc., Certified Public Accountants audited the City's financial statements. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget's Circular A-133. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is combined in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in the separately issued single audit report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the City of Grass Valley**

The City of Grass Valley is a historic gold mining town located in Sierra Nevada 60 miles northeast of Sacramento and 150 miles north of San Francisco. Grass Valley is the business center of Western Nevada County and is known for its performing arts, fine dining and many year round cultural festivals. The City's charming residential downtown is home to many restored Victorian homes, historic buildings and wooded hillsides. The incorporated area of the City is 5.4 square miles with a sphere of influence of 6.3 square miles.

Grass Valley is home to many high tech companies that have found a welcoming environment for both their growing organization and employees. The City has an array of historic structures including early 1900's architecture and unique shops that adorn historic downtown Mill Street and Main Street. Community events include the month long celebration of a Cornish Christmas as a reminder of its past heritage, lively summer street fairs, the annual Draft Horse Classic, the best County fair in California amongst the tall pines, with its famous treat street, and the annual Fourth of July parade attracting visitors from all over the north state.

The City maintains a number of parks, including a municipal swimming pool. The City has an active historic downtown, and supports a vibrant performing arts community that presents world class events. The City prides itself on listening closely to community residents and working to achieve common goals for the betterment of all of the residents of Grass Valley.

## **Form of Government**

Grass Valley is a Charter City incorporated in 1893. As a Charter City, Grass Valley has more local authority than cities that incorporate under the general laws of the State of California. The Charter is the City's governing document and any changes must be approved by the voters.

The City of Grass Valley operates under a Council-Manager form of government and is governed by a five-member City Council. The Council has the authority to make and enforce all laws and regulations with respect to municipal affairs, subject to the limitations of the City Charter and the State Constitution. Council members are elected at-large and serve overlapping, four-year terms. Council members must be residents of the City. The positions of Mayor and Vice Mayor are chosen by the City Council and serve two-year terms in those positions.

The City Council serves as the policy board for the municipality. As an elected Board of Directors, the City Council provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, City Attorney, and all members of advisory boards, commissions, and committees. All other department heads are appointed by the City Manager.

## City Services

The City provides a wide range of municipal services, including police and fire protection, water and sewer utilities, street maintenance, parking, parks and recreation, planning, building and safety, and other general government services. Several municipal services are provided through other governmental agencies or private utility companies, including the following:

Service	Agency
Courts, Health and Social Services	County of Nevada
Elementary and Secondary Schools	Nevada Joint Union High School District Grass Valley School District
Community College	Sierra College
Solid Waste Collection and Disposal	Waste Management
Gas, Electric and Telephone	Private Utility Companies

Financial data for all funds through which services are provided by the City have been included in this report. As required by GAAP, these financial statements present the City (the primary government) and its component units (entities for which the government is considered to be financially accountable). Blended component units (although legally separate entities) are in substance part of the government's operations, and so data from these units are combined with data of the primary government. The City has two component units, the activities of which are accounted for in the applicable City governmental or enterprise funds:

- 1) The Grass Valley Capital Improvements Authority, the Board of which is comprised solely of members of the City Council and which provides financing for the construction and acquisition of City facilities; and
- 2) The Grass Valley Redevelopment Successor Agency, the Oversight Board of which is comprised of members appointed by the participating agencies and which a) ensures that redevelopment projects currently underway are completed, 2) controls the disposition of redevelopment assets and 3) approves biannual Recognized Obligation Payment Schedules (ROPS).

## Budgetary Policy and Control

The City Council establishes annual budgets for the General Fund, Proprietary Funds, and all Special Revenue Funds. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager and Finance Director who then, in coordination with department heads, prepare an estimate of revenues and 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 in accordance with the municipal code.

## **Financial Information**

During the past fiscal year, there were no changes to the City's financial policies or items in which policies impacted the financial information or presentation. Information concerning significant accounting policies affecting the finances of the City is summarized in the Notes to the Financial Statements.

## **Acknowledgements**

The preparation of this Annual Financial Report could not be accomplished without the year-round efficiency of the Finance Division staff and their special efforts, working in conjunction with the City's independent auditors, to produce this document. We would like to take this opportunity to compliment all those staff members of both the City and our independent auditors who were associated with the preparation of this report. We would also like to thank the Council for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,

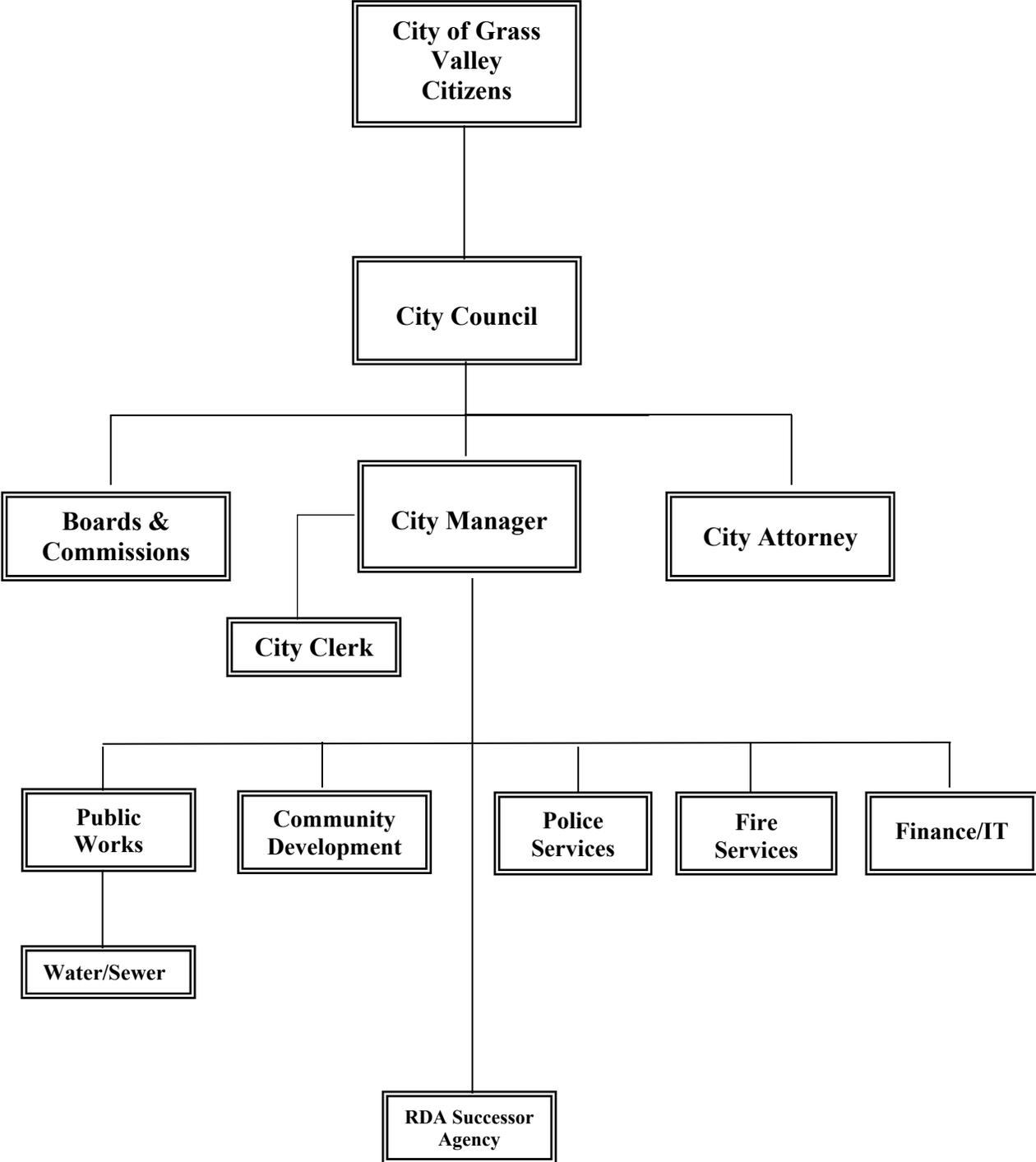
Andy Heath  
Finance Director

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Organization Chart**

*City of Grass Valley*

*Organizational Chart*



**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**List of Officials**

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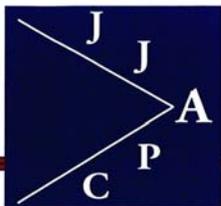
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***CITY COUNCIL***

- Lisa Swarthout, Mayor
- Ben Aguilar, Vice Mayor
- Jan Arbuckle, Council Member
- Howard Levine, Council Member
- Hilary Hodge, Council Member

***CITY OFFICIALS***

- Tim Kiser, City Manager
- Andy Heath, Finance Director
- Alex Gammelgard, Chief of Police
- Tom Last, Community Development Director
- Mark Buttron, Fire Chief
- Michael G. Colantuono, City Attorney



**JJACPA, Inc.**

A Professional Accounting Services Corp.

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and City Council  
of the City of Grass Valley  
Grass Valley, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and budgetary comparison information of the City of Grass Valley, California (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and budgetary comparison information of the City of Grass Valley, California, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-16, Schedule of Changes in the Net OPEB Liability and Related Ratios on page 94, Net OPEB Liability Schedule of Contributions on page 95, The City's Schedules of Contributions on pages 96-97, and the Schedules of the City's Proportionate Share of the Net Pension Liability on pages 98-99, 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.

*Supplementary and 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 accompanying supplementary information, which includes the combining and individual nonmajor fund financial statements and budgetary comparison schedules and the other information, and introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

*Implementation of New Accounting Standards*

As disclosed in the Note 1 to the financial statements, the City implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," during the fiscal year 2018. Our opinion is not modified with respect to this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance and is included in the City's Single Audit Report.

*JJACPA, Inc.*

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management's Discussion and Analysis, Continued**

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This section provides a narrative overview and analysis of the financial activities of the City of Grass Valley (City) for the fiscal year ended June 30, 2019. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

**FINANCIAL HIGHLIGHTS**

- ◆ The City's total net position increased by approximately \$4.4 million over the course of this year's operations after conducting all City operations and programs. The assets of the City exceeded its liabilities by about \$98.7 million at the end of the 2019 fiscal year. Of that amount, about \$13.8 million (the unrestricted net position) may be used to meet the City's ongoing obligations and operating expenses for the next fiscal year.
- ◆ Overall City-wide revenues from all governmental and business-type activities increased by approximately \$1.4 million when compared to the 2018 fiscal year. The majority of the increase can be attributed to an increase in sales tax related to the October 2018 effective date of the Measure E Transactions Tax Measure and increases in property and other taxes, offset by an overall reduction in Capital Grants and Contributions related to prior year receipts of funding related to the City's Sinkhole Project and Road Project Reimbursements. The City's total expenses for all programs in fiscal year 2019 increased by approximately \$2.8 million to \$28.8 million compared to \$26.0 million in fiscal year 2018, primarily due to costs for capital projects related to the City's Sewer Enterprise Program and normal inflationary costs increases associated with providing citywide general government services.
- ◆ The general fund reported a fund balance of approximately \$14.1 million at the end of the 2019 fiscal year, an increase of about \$2.8 million over fiscal year 2018. This increase can be primarily attributed to higher collections of sales and property taxes and the deferral of certain capital projects appropriated in FY 2018-19 to FY 2019-20 (re-budgeted) – particularly related to Streets and Parks projects funded by the Measure E Transactions Tax.
- ◆ The City ended the fiscal year with \$8.6 million in restricted and unrestricted net position reported in the enterprise funds, an increase of \$2.4 million from the prior year. This increase can be primarily attributed to increases receipts of capital contributions and grants used towards projects in the City's Sewer Enterprise Program.

**OVERVIEW OF THE ANNUAL FINANCIAL REPORT**

This Annual Financial Report is in two major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information; and,

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management's Discussion and Analysis, Continued**

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**OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued**

- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements, and Combining and Individual Fund Financial Statements and Schedules.

**The Basic Financial Statements**

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

**Government-wide Financial Statements**

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net Position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

- **Governmental activities** – All of the City's basic services are considered to be governmental activities, including general government, public safety, public ways and facilities, community development, recreation, and culture. These services are supported by general City revenues such as taxes and by specific program revenues such as developer fees.
- **Business-type activities** – All the City's enterprise activities are reported here, including Water and Sewer. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management's Discussion and Analysis, Continued**

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**OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued**

**Fund Financial Statements, Continued**

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the Governmental Fund Financial Statements is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

For the fiscal year ended June 30, 2019, the City's major funds are as follows:

**GOVERNMENTAL FUNDS:**

- General Fund
- HOME Grant Special Revenue Fund
- Capital Projects Fund
- Special Projects Capital Projects Fund

**PROPRIETARY FUNDS:**

- Water Enterprise Fund
- Sewer Enterprise Fund

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management's Discussion and Analysis, Continued**

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**OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued**

**Fund Financial Statements, Continued**

For the fiscal year ended June 30, 2019, the City adopted annual appropriated budgets for all governmental funds.

*Proprietary funds.* The City maintains Enterprise-type and Internal Service proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses enterprise funds to account for Water and Sewer activities. Internal service funds are an accounting methodology used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles and its information technology assets. Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for all of these operations.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 45–92 of this report. Required Supplementary Information follows the notes on pages 94-99.

**Combining and Individual Fund Financial Statements and Schedules**

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 104–170 of this report.

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$98,691,543 as of June 30, 2019. The Summary of Net Position as of June 30, 2019, and 2018, follows:

	Summary of Net Position					
	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 30,545,330	\$ 13,625,258	\$ 44,170,588	\$ 28,688,066	\$ 11,368,713	\$ 40,056,779
Noncurrent assets	50,871,277	43,345,266	94,216,543	49,993,940	43,758,111	93,752,051
Total assets	81,416,607	56,970,524	138,387,131	78,682,006	55,126,824	133,808,830
Deferred outflows -	3,936,674	1,236,256	5,172,930	4,284,082	1,349,621	5,633,703
Total assets and deferred outflows	85,353,281	58,206,780	143,560,061	82,966,088	56,476,445	139,442,533
Current and other liabilities	2,655,718	2,218,391	4,874,109	2,048,257	2,507,256	4,555,513
Long-term liabilities	23,967,309	14,585,509	38,552,818	23,599,451	15,952,814	39,552,265
Total liabilities	26,623,027	16,803,900	43,426,927	25,647,708	18,460,070	44,107,778
Deferred inflows -	1,106,465	335,126	1,441,591	789,994	246,243	1,036,237
Total liabilities and deferred inflows	27,729,492	17,139,026	44,868,518	26,437,702	18,706,313	45,144,015
Net position:						
Net investment in capital assets	48,484,973	32,338,891	80,823,864	47,517,209	31,561,596	79,078,805
Restricted	3,460,568	636,969	4,097,537	3,114,792	634,225	3,749,017
Unrestricted	5,678,248	8,091,894	13,770,142	5,896,385	5,574,311	11,470,696
<b>Total net position</b>	<b>\$ 57,623,789</b>	<b>\$ 41,067,754</b>	<b>\$ 98,691,543</b>	<b>\$ 56,528,386</b>	<b>\$ 37,770,132</b>	<b>\$ 94,298,518</b>

Overall, total net position increased by approximately \$4.4 million. Of this amount, net position for governmental activities increased by approximately \$1.1 million and net position for business-type activities increased by approximately \$3.3 million. Approximately 84 percent of the net position of the City is represented by the City's net investment in its capital assets such as buildings, land, equipment, utility systems, and facilities.

Restricted net position increased by approximately \$348,000 and unrestricted net position increased by approximately \$2.3 million.

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management's Discussion and Analysis, Continued**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Revenues**

The City's total revenues for governmental and business-type activities were approximately \$33.2 million for the fiscal year ended June 30, 2019. Significant revenues collected by the City during fiscal year 2019 were derived from sales taxes (31.3%), charges for services (25.9%), and property taxes (9.0%).

The following discusses variances in key revenues from the prior fiscal year:

1. **Grants and Contributions – Operating and Capital** – The approximately \$2.3 million reduction in capital grants and contributions is related the prior year receipt of one-time funding associated with the City's Sinkhole Project and other road reimbursement funding.
2. **Sales Tax.** Annual receipts increased by approximately \$2.4 million primarily due to the implementation of the new Measure E Transactions Sales Tax, effectively increasing the previously collected Measure N Sales Tax by ½ of one-cent effective October 2018.
3. **Property Tax.** Property taxes increased by approximately \$200,000 due to the increased in assessed valuation from the prior year.
4. **Use of Money and Property.** The Use of Money and Property increased by approximately \$600,000 due to increased interest rates for the City's investment pool and higher cash balances overall citywide.

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The change in net position for the fiscal years ended June 30, 2019, and 2018, follows:

	Changes in Net Position					
	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 864,058	\$ 7,736,011	\$ 8,600,069	\$ 786,933	\$ 7,763,841	\$ 8,550,774
Grants and contributions:						
Operating	210,332	2,606,870	2,817,202	975,369	1,635,782	2,611,151
Capital	1,118,507	1,710,066	2,828,573	4,873,166	220,233	5,093,399
General revenues:						
Property taxes and assessments	3,027,695	-	3,027,695	2,841,644	-	2,841,644
Sales taxes	10,419,068	-	10,419,068	7,987,437	-	7,987,437
Other taxes	2,616,454	-	2,616,454	2,412,096	-	2,412,096
Intergovernmental	1,385,608	-	1,385,608	1,391,142	-	1,391,142
Use of money and property	674,969	304,749	979,718	289,836	91,078	380,914
Contributions	-	-	-	-	-	-
Other general revenues	346,827	179,072	525,899	273,238	260,441	533,679
Total revenues	20,663,518	12,536,768	33,200,286	21,830,861	9,971,375	31,802,236
Expenses:						
Governmental activities:						
General government	5,241,450	-	5,241,450	4,834,983	-	4,834,983
Public safety	8,637,647	-	8,637,647	8,343,877	-	8,343,877
Public ways and facilities	4,148,675	-	4,148,675	3,577,656	-	3,577,656
Community development	950,418	-	950,418	2,104,573	-	2,104,573
Recreation and culture	379,961	-	379,961	315,812	-	315,812
Interest and fiscal charges	388,235	-	388,235	101,535	-	101,535
Business-type activities:						
Water	-	2,088,411	2,088,411	-	1,927,106	1,927,106
Sewer	-	6,972,464	6,972,464	-	4,784,671	4,784,671
Total expenses	19,746,386	9,060,875	28,807,261	19,278,436	6,711,777	25,990,213
Excess (Deficiency) of revenues over expenditures before transfers	917,132	3,475,893	4,393,025	2,552,425	3,259,598	5,812,023
Transfers	178,271	(178,271)	-	-	-	-
Change in net position	1,095,403	3,297,622	4,393,025	2,552,425	3,259,598	5,812,023
Net position:						
Beginning of year	56,528,386	37,770,132	94,298,518	57,845,297	34,867,055	92,712,352
Adjustments	-	-	-	(3,869,336)	(356,521)	(4,225,857)
End of year	\$ 57,623,789	\$ 41,067,754	\$ 98,691,543	\$ 56,528,386	\$ 37,770,132	\$ 94,298,518

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management’s Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Expenses**

Governmental and business-type activity expenses of the City for the year totaled approximately \$28.8 million. Governmental activity expenses totaled approximately \$19.7 million or 68.4% of total expenses. Business-type activities incurred approximately \$9.1 million in expenses during the fiscal year. Public safety costs represented 43.7% of total governmental activities expenses.

**Governmental Activities**

The following table shows the cost of each of the City’s major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City’s taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2019, and 2018, are as follows:

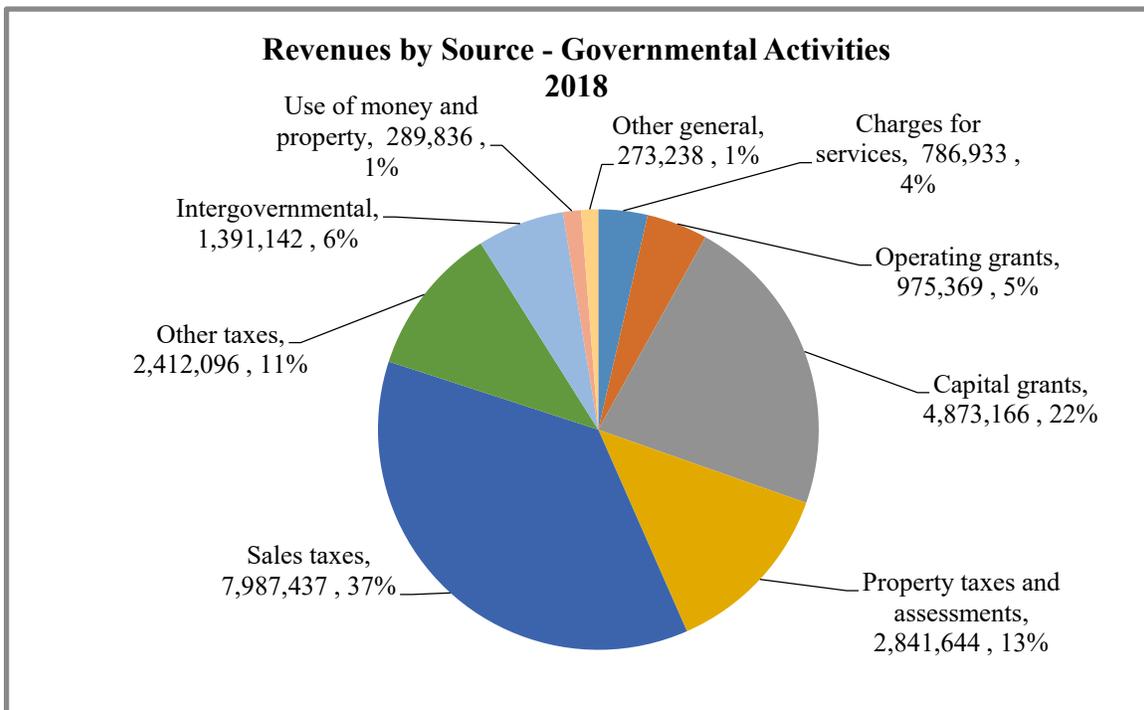
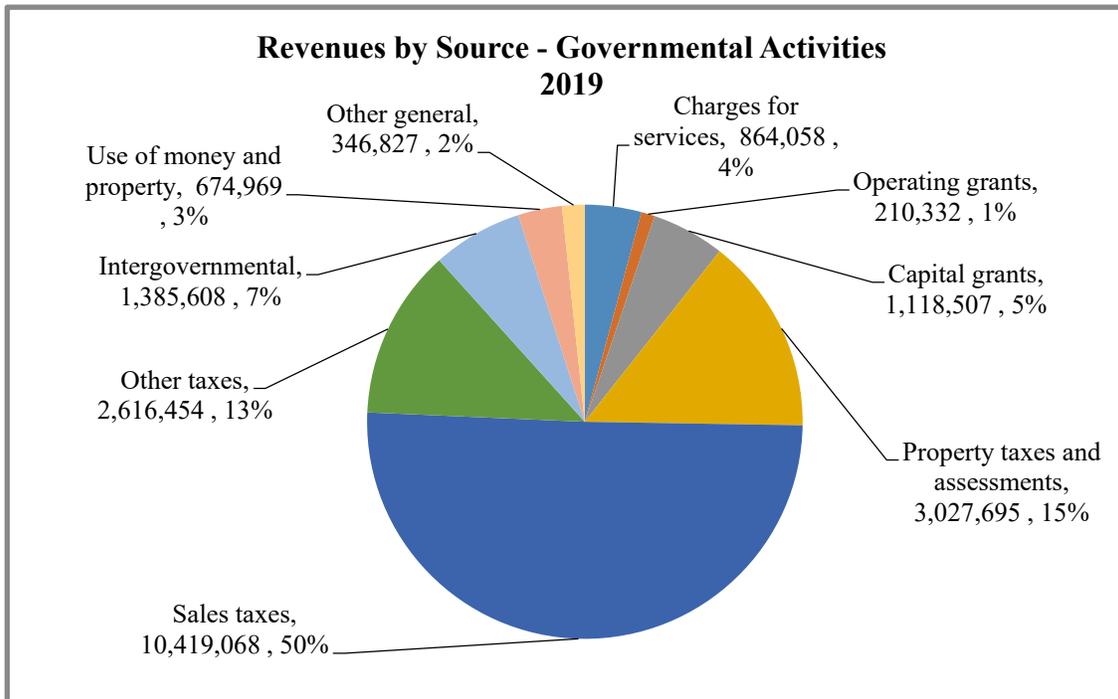
	2019		2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 5,241,450	\$ 5,241,450	\$ 4,834,983	\$ 4,834,326
Public safety	8,637,647	8,145,726	8,343,877	8,003,213
Public ways and facilities	4,148,675	2,656,535	3,577,656	(1,386,156)
Community development	950,418	780,779	2,104,573	774,238
Recreation and culture	379,961	340,764	315,812	315,812
Interest and fiscal charges	388,235	388,235	101,535	101,535
Total	<u>\$ 19,746,386</u>	<u>\$ 17,553,489</u>	<u>\$ 19,278,436</u>	<u>\$ 12,642,968</u>

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management’s Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

Revenues by source for the fiscal years ended June 30, 2019, and 2018, are as follows:



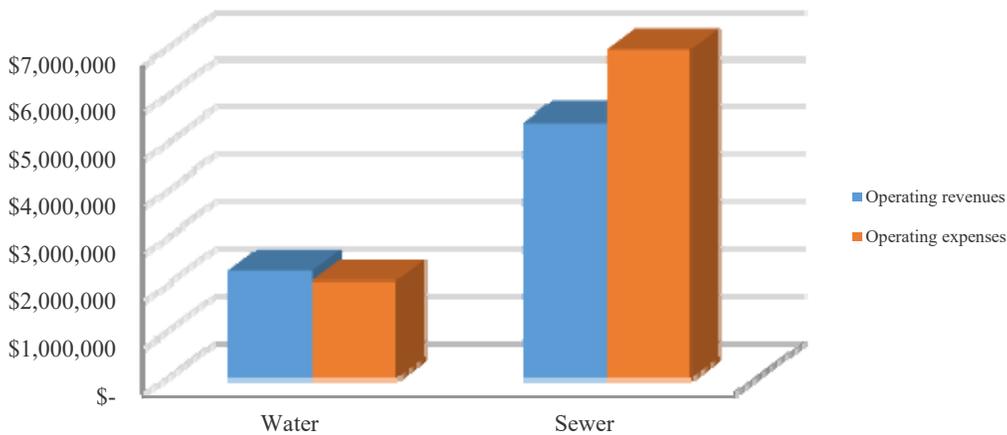
**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management’s Discussion and Analysis, Continued**

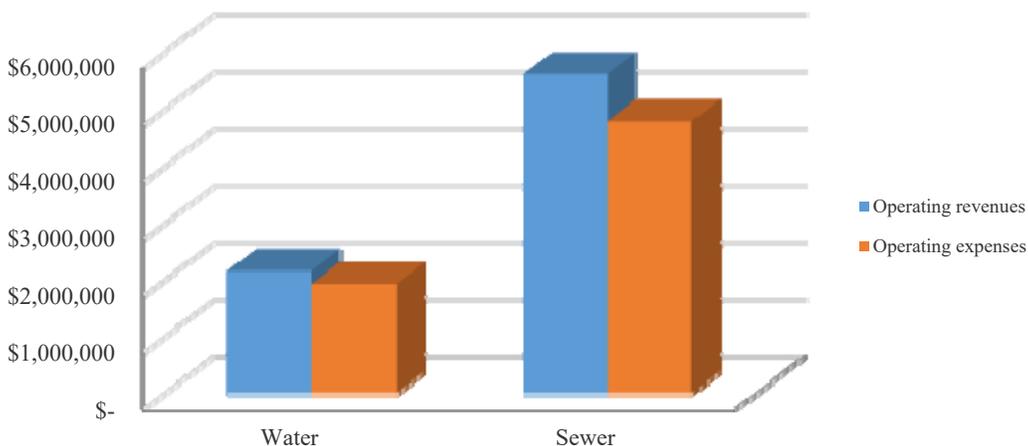
**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Business-type activities.** Business-type activities increased the City’s net position by approximately \$3.3 million. The City has two business-type activities: Water and Sewer Operations. The operating revenues and expenses for the business-type activities for the fiscal years ended June 30, 2019, and 2018, are as follows:

**Operating Revenues and Expense  
 Business-type Activities  
 FY2018**



**Operating Revenues and Expense  
 Business-type Activities  
 FY2018**

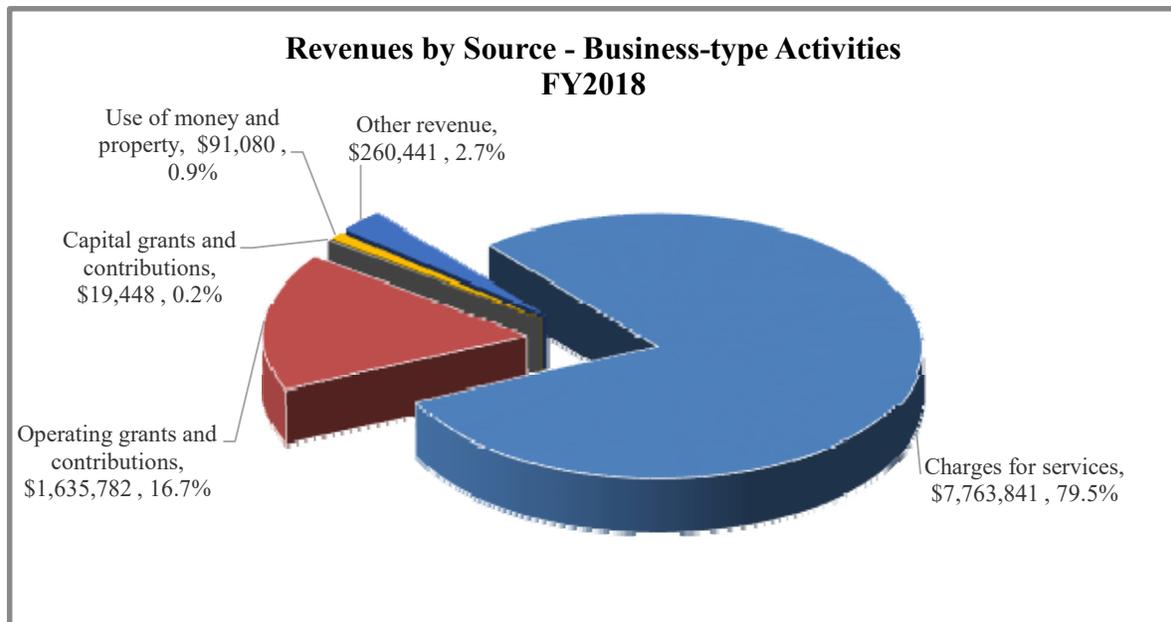
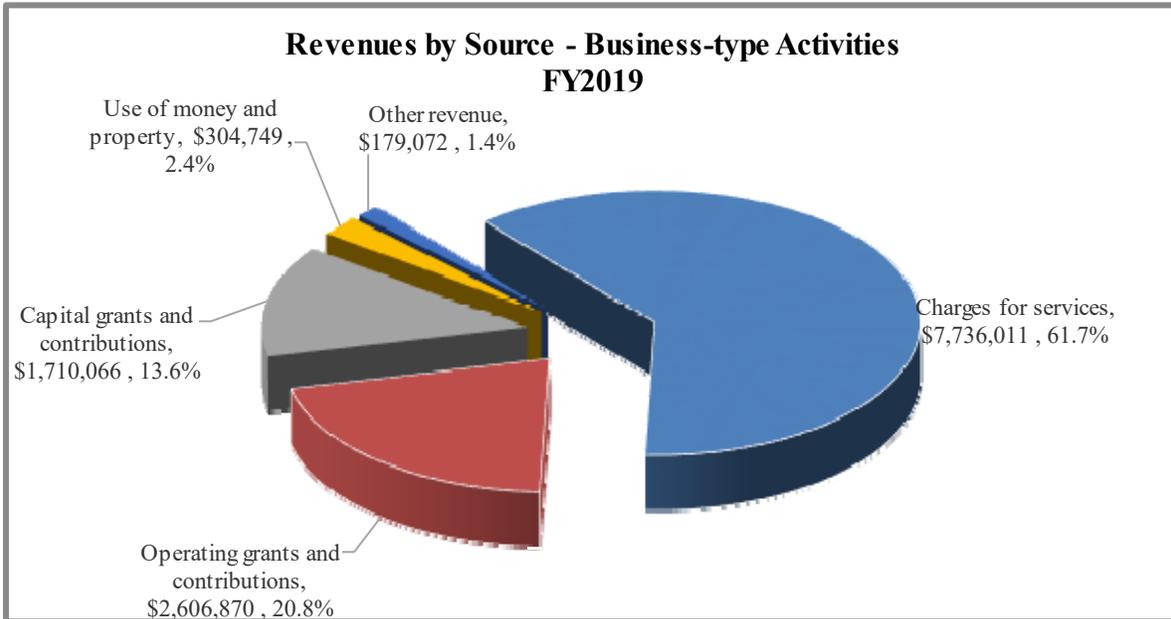


**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management’s Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The revenues by source for the business-type activities for the fiscal years ended June 30, 2019, and 2018, are as follows:



**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management's Discussion and Analysis, Continued**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Financial Analysis of the Government's Funds**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

**Governmental funds.** The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2019, the City's governmental funds reported combined fund balances of approximately \$28.4 million.

The General Fund is the primary operating fund of the City. At the fiscal year ended June 30, 2019, General Fund unassigned fund balance totaled approximately \$12.4 million. This is an increase of approximately \$2.8 million from the prior year (note: this amount represents funding carried over and appropriated in following year towards applicable capital projects – predominantly for Measure E activities).

**Proprietary funds.** The City's proprietary funds unrestricted net position increased by approximately \$2.5 million in the fiscal year ended June 30, 2019, primarily due to receipts of capital grants and other contributions towards Sewer Fund capital projects.

**General Fund Budgetary Highlights**

The difference between the final budget and actual net change in fund balance realized is a positive net change (addition to available fund balance) of approximately \$1.1 million. This was mainly due to increased collections of sales taxes due to the passage of Measure E effective in October 2018 offset by increased public safety expenditures (Measure E funds used for these programs) and capital projects related to building safety and security.

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management’s Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Capital Assets**

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2019, amount to approximately \$94.0 million. This investment in capital assets includes land, construction in progress, costs for road and median improvements, buildings and improvements, infrastructure, furniture and equipment, and vehicles.

	Capital Assets					
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,942,518	\$ 2,881,632	\$ 239,401	\$ 239,401	\$ 3,181,919	\$ 3,121,033
Construction in progress	4,789,597	3,196,858	1,495,535	5,986,406	6,285,132	9,183,264
Buildings and Improvements	5,167,870	4,825,570	31,818,995	27,717,378	36,986,865	32,542,948
Equipment	2,765,172	2,947,439	349,635	356,365	3,114,807	3,303,804
Infrastructure	34,947,659	36,142,441	9,441,700	9,458,561	44,389,359	45,601,002
Leased assets	258,461	-				
Total	<u>\$ 50,871,277</u>	<u>\$ 49,993,940</u>	<u>\$ 43,345,266</u>	<u>\$ 43,758,111</u>	<u>\$ 93,958,082</u>	<u>\$ 93,752,051</u>

More detail of the capital assets and current activity can be found in the notes to the financial statements on page 51 for significant accounting policies and Note 5 on page 63 for other capital asset information.

**Economic Outlook**

In June 2019, the City Council adopted the FY 2019-20 Budget which includes General Fund revenues of \$12.8 million and appropriations of \$13.1 million. Additionally, as a result of the passage of Measure E in June 2018, the FY 2019-20 Budget also includes projected Measure E sales tax revenues of \$5.6 million and Measure E expenditures of \$6.5 million.

In June 2019, the City of Grass Valley electorate approved Measure E – effectively removing the Measure N sunset clause while increasing the Transactions Tax from ½ -cent to 1-cent citywide. It is expected that the increased transaction tax will result in a total of \$5.6 million in annual revenue, which will be dedicated towards the City’s Police and Fire operations; and the City’s Street Rehabilitation and Parks Programs. Regular sales tax revenue is conservatively projected to be slightly higher year-over-year.

The City will continue to face significant fiscal pressures in the short and long term relating primarily to salary and benefit expenditures. CalPERS has provided actuarial estimates indicating that annual costs to amortize unfunded pension liabilities will be approximately \$1 million more annually by FY 2024-25.

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Management's Discussion and Analysis, Continued**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Economic Outlook, Continued**

The City also continues to experience medical premium increases for most of the medical plans offered by the City to its employees. The City's aggregate employer contribution towards medical premiums has risen; and as in the past, it is uncertain whether these costs will stabilize in the near future.

**Requests for Information**

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the City of Grass Valley Finance Department, 125 East Main Street, Grass Valley, CA. 95945. The telephone number is 530-274-4300.

## **BASIC FINANCIAL STATEMENTS**

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# City of Grass Valley, California

## Statement of Net Position

June 30, 2019

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Cash and investments	\$ 17,886,731	\$ 11,791,889	\$ 29,678,620
Restricted cash and investments	-	636,969	636,969
Receivables:			
Taxes	2,231,667	-	2,231,667
Interest	163,498	-	163,498
Accounts	-	1,017,561	1,017,561
Intergovernmental	181,395	178,839	360,234
Loans/Notes receivable	9,742,712	-	9,742,712
Other	337,418	-	337,418
Prepaid items	1,909	-	1,909
Capital assets:			
Nondepreciable	7,732,115	1,734,936	9,467,051
Depreciable	43,139,162	41,610,330	84,749,492
<b>Total assets</b>	<b>81,416,607</b>	<b>56,970,524</b>	<b>138,387,131</b>
Deferred outflows: Pension plan	3,699,281	1,214,383	4,913,664
Deferred outflows: OPEB	237,393	21,873	259,266
<b>Total assets and deferred outflows</b>	<b>\$ 85,353,281</b>	<b>\$ 58,206,780</b>	<b>\$ 143,560,061</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>			
Accounts payable and accrued liabilities	\$ 1,794,887	\$ 736,740	\$ 2,531,627
Interest payable	-	124,811	124,811
Deposits payable	232,156	7,699	239,855
Current portion of long-term debt	355,876	1,272,241	1,628,117
Compensated absences - current portion	272,799	69,067	341,866
Long-term liabilities:			
Compensated absences	564,489	95,709	660,198
Due after one year	2,030,428	9,734,134	11,764,562
Net OPEB obligation	6,565,713	604,965	7,170,678
Net Pension obligation	14,806,679	4,158,534	18,965,213
<b>Total liabilities</b>	<b>26,623,027</b>	<b>16,803,900</b>	<b>43,426,927</b>
Deferred inflows: Pension plan	1,106,465	335,126	1,441,591
<b>Total liabilities and deferred inflows</b>	<b>27,729,492</b>	<b>17,139,026</b>	<b>44,868,518</b>
<b>NET POSITION</b>			
Net investment in capital assets	48,484,973	32,338,891	80,823,864
Restricted	3,460,568	636,969	4,097,537
Unrestricted	5,678,248	8,091,894	13,770,142
<b>Total net position</b>	<b>57,623,789</b>	<b>41,067,754</b>	<b>98,691,543</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 85,353,281</b>	<b>\$ 58,206,780</b>	<b>\$ 143,560,061</b>

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

**City of Grass Valley, California**  
**Statement of Activities**  
**For the year ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 5,187,419	\$ -	\$ -	\$ -
Public safety	8,637,647	451,228	40,693	-
Public ways and facilities	4,148,675	373,633	-	1,118,507
Community development	950,418	-	169,639	-
Recreation and culture	379,961	39,197	-	-
Interest and fiscal charges	442,266	-	-	-
Total governmental activities	<u>19,746,386</u>	<u>864,058</u>	<u>210,332</u>	<u>1,118,507</u>
Business-type activities:				
Water	2,088,411	2,297,415	-	100,693
Sewer	6,972,464	5,438,596	2,606,870	1,609,373
Total business-type activities	<u>9,060,875</u>	<u>7,736,011</u>	<u>2,606,870</u>	<u>1,710,066</u>
<b>Total primary government</b>	<u>\$ 28,807,261</u>	<u>\$ 8,600,069</u>	<u>\$ 2,817,202</u>	<u>\$ 2,828,573</u>

General revenues:  
 Taxes:  
   Property taxes, levied for general purposes  
   Sales taxes  
   Other taxes  
 Intergovernmental  
 Use of money and property  
 Other general revenues  
   Total general revenues  
 Transfers  
   Total general revenues and transfers  
 Change in net position  
 Net position:  
   Beginning of year  
   End of year

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

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

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
\$ (5,187,419)	\$ -	\$ (5,187,419)
(8,145,726)	-	(8,145,726)
(2,656,535)	-	(2,656,535)
(780,779)	-	(780,779)
(340,764)	-	(340,764)
(442,266)	-	(442,266)
(17,553,489)	-	(17,553,489)
-	309,697	309,697
-	2,682,375	2,682,375
-	2,992,072	2,992,072
(17,553,489)	2,992,072	(14,561,417)
3,027,695	-	3,027,695
10,419,068	-	10,419,068
2,616,454	-	2,616,454
1,385,608	-	1,385,608
674,969	304,749	979,718
346,827	179,072	525,899
18,470,621	483,821	18,954,442
178,271	(178,271)	-
18,648,892	305,550	18,954,442
1,095,403	3,297,622	4,393,025
56,528,386	37,770,132	94,298,518
\$ 57,623,789	\$ 41,067,754	\$ 98,691,543

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**FUND FINANCIAL STATEMENTS**  
**MAJOR FUNDS**

<b>Fund</b>	<b>Description</b>
<b>Governmental Funds:</b>	
General	Primary operating fund of the City; accounts for all activities except those legally or administratively required to be accounted for in other funds.
HOME Grant Special Revenue	Accounts for activities related to housing and the related Home Program funding.
Capital Projects Fund	Accounts for funds collected and expended for the construction or purchase of public facilities and projects.
Special Projects Capital Projects Fund	Accounts for funds collected and expended for the construction of special projects.

**City of Grass Valley, California**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>HOME Grant Special Revenue</b>	<b>Capital Projects</b>
<b>ASSETS</b>			
Cash and investments	\$ 10,732,396	\$ -	\$ -
Receivables:			
Taxes	2,228,340	-	-
Interest	163,498	-	-
Intergovernmental	15,000	-	5,366
Loans/Notes receivable	-	4,270,278	-
Other receivable	314,658	-	1,120
Due from other funds	2,043,917	-	-
Prepaid items	1,909	-	-
<b>Total assets</b>	<b>\$ 15,499,718</b>	<b>\$ 4,270,278</b>	<b>\$ 6,486</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 1,199,712	\$ -	\$ 512,405
Due to other funds	-	-	1,926,453
Deposits payable	232,156	-	-
<b>Total liabilities</b>	<b>1,431,868</b>	<b>-</b>	<b>2,438,858</b>
<b>Fund balances:</b>			
Nonspendable	1,909	4,270,278	-
Restricted	1,631,530	-	-
Assigned	-	-	-
Unassigned (deficit)	12,434,411	-	(2,432,372)
<b>Total fund balances</b>	<b>14,067,850</b>	<b>4,270,278</b>	<b>(2,432,372)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 15,499,718</b>	<b>\$ 4,270,278</b>	<b>\$ 6,486</b>

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

<b>Special Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ 2,025,737	\$ 5,053,879	\$ 17,812,012
-	3,327	2,231,667
-	-	163,498
-	161,029	181,395
-	5,472,434	9,742,712
-	-	315,778
-	-	2,043,917
-	-	1,909
<u>\$ 2,025,737</u>	<u>\$ 10,690,669</u>	<u>\$ 32,492,888</u>
\$ -	\$ 82,770	\$ 1,794,887
-	117,464	2,043,917
-	-	232,156
<u>-</u>	<u>200,234</u>	<u>4,070,960</u>
-	5,544,005	9,816,192
-	1,829,038	3,460,568
2,025,737	3,141,255	5,166,992
-	(23,863)	9,978,176
<u>2,025,737</u>	<u>10,490,435</u>	<u>28,421,928</u>
<u>\$ 2,025,737</u>	<u>\$ 10,690,669</u>	<u>\$ 32,492,888</u>

**City of Grass Valley, California**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2019**

**Total fund balances - total governmental funds** \$ 28,421,928

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 50,871,277

Pension obligations result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities.

Deferred outflows - pension	3,699,281	
Deferred outflows - OPEB	237,393	
Deferred inflows - pension	<u>(1,106,465)</u>	2,830,209

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	\$ (837,288)	
Due within one year	(355,876)	
Due after one year	(2,030,428)	
Net OPEB obligation	(6,565,713)	
Net Pension obligation	<u>(14,806,679)</u>	(24,595,984)

Internal services funds are used by management to charge the costs of certain activities, such as vehicle replacement and technology, to individual funds. The assets and liabilities of the internal service funds are:

Current assets		<u>96,359</u>
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<b>Net position of governmental activities</b>		<u><u>\$ 57,623,789</u></u>
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The accompanying notes are an integral part of these basic financial statements.

**City of Grass Valley, California**  
**Reconciliation of Fund Basis Balance Sheet to Government-wide**  
**Statement of Net Position Governmental Activities**  
**June 30, 2019**

ASSETS	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Internal Services Balances	Statement of Net Position
<b>Current assets:</b>					
Cash and investments	\$ 17,812,012	\$ -	\$ -	\$ 74,719	\$ 17,886,731
Restricted cash and investments	-	-	-	-	-
Receivables:					
Taxes	2,231,667	-	-	-	2,231,667
Interest	163,498	-	-	-	163,498
Intergovernmental	181,395	-	-	-	181,395
Loans/Notes receivable	9,742,712	-	-	-	9,742,712
Other receivable	315,778	-	-	21,640	337,418
Due from other funds	2,043,917	(2,043,917)	-	-	-
Prepaid items	1,909	-	-	-	1,909
<b>Total current assets</b>	<u>32,492,888</u>	<u>(2,043,917)</u>	<u>-</u>	<u>96,359</u>	<u>30,545,330</u>
<b>Noncurrent assets:</b>					
Capital assets, net	-	-	50,871,277	-	50,871,277
<b>Total noncurrent assets</b>	-	-	50,871,277	-	50,871,277
Deferred outflows - pension plan	-	-	3,699,281	-	3,699,281
Deferred outflows - OPEB	-	-	237,393	-	237,393
<b>Total assets</b>	<u>\$ 32,492,888</u>	<u>\$ (2,043,917)</u>	<u>\$ 54,807,951</u>	<u>\$ 96,359</u>	<u>\$ 85,353,281</u>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	\$ 1,794,887	\$ -	\$ -	\$ -	\$ 1,794,887
Interest payable	-	-	-	-	-
Due to other funds	2,043,917	(2,043,917)	-	-	-
Deposits payable	232,156	-	-	-	232,156
Current portion of long-term debt	-	-	355,876	-	355,876
Unearned revenue	-	-	-	-	-
Compensated absences - current portion	-	-	272,799	-	272,799
Other liabilities	-	-	-	-	-
<b>Total current liabilities</b>	<u>4,070,960</u>	<u>(2,043,917)</u>	<u>628,675</u>	<u>-</u>	<u>2,655,718</u>
<b>Noncurrent liabilities:</b>					
Long-term liabilities:					
Compensated absences	-	-	564,489	-	564,489
Due after one year	-	-	2,030,428	-	2,030,428
Net OPEB obligation	-	-	6,565,713	-	6,565,713
Net Pension obligation	-	-	14,806,679	-	14,806,679
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>-</u>	<u>23,967,309</u>	<u>-</u>	<u>23,967,309</u>
<b>Total liabilities</b>	<u>4,070,960</u>	<u>(2,043,917)</u>	<u>24,595,984</u>	<u>-</u>	<u>26,623,027</u>
Deferred inflows: Pension plan	-	-	1,106,465	-	1,106,465
<b>FUND BALANCES/NET POSITION</b>					
<b>Fund balances:</b>					
Nonspendable	9,816,192	(9,816,192)	-	-	-
Restricted	3,460,568	(3,460,568)	-	-	-
Committed	-	-	-	-	-
Assigned	5,166,992	(5,166,992)	-	-	-
Unassigned (deficit)	9,978,176	(9,978,176)	-	-	-
<b>Net position:</b>					
Net investment in capital assets	-	-	48,484,973	-	48,484,973
Restricted	-	-	3,460,568	-	3,460,568
Unrestricted	-	28,421,928	(22,840,039)	96,359	5,678,248
<b>Total fund balances/ net position</b>	<u>28,421,928</u>	<u>-</u>	<u>29,105,502</u>	<u>96,359</u>	<u>57,623,789</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 32,492,888</u>	<u>\$ (2,043,917)</u>	<u>\$ 54,807,951</u>	<u>\$ 96,359</u>	<u>\$ 85,353,281</u>

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

**City of Grass Valley, California**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances Governmental Funds**  
**For the year ended June 30, 2019**

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>HOME Grant Special Revenue</b>	<b>Capital Projects</b>
<b>REVENUES:</b>			
Taxes and assessments	\$ 15,584,077	\$ -	\$ -
Fines and forfeitures	74,901	-	-
Intergovernmental	1,385,608	-	414,383
Use of money and property	318,264	68,942	(10,390)
Charges for services	716,070	-	-
Other revenues	312,347	-	-
<b>Total revenues</b>	<b>18,391,267</b>	<b>68,942</b>	<b>403,993</b>
<b>EXPENDITURES:</b>			
Current:			
General government	3,399,958	-	-
Public safety	8,297,298	-	-
Public ways and facilities	941,326	-	-
Community development	705,360	-	-
Recreation and culture	378,392	-	-
Capital outlay	898,496	-	3,590,199
Debt service:			
Principal	440,794	-	-
Interest and fiscal charges	91,899	-	-
<b>Total expenditures</b>	<b>15,153,523</b>	<b>-</b>	<b>3,590,199</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,237,744</b>	<b>68,942</b>	<b>(3,186,206)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sales of assets	3,000	-	-
Transfers in	3,000	-	1,581,138
Transfers out	(452,272)	-	(192,188)
<b>Total other financing sources (uses)</b>	<b>(446,272)</b>	<b>-</b>	<b>1,388,950</b>
<b>Net change in fund balances</b>	<b>2,791,472</b>	<b>68,942</b>	<b>(1,797,256)</b>
<b>FUND BALANCES (DEFICIT):</b>			
Beginning of year	11,276,378	4,201,336	(635,116)
End of year	<u>\$ 14,067,850</u>	<u>\$ 4,270,278</u>	<u>\$ (2,432,372)</u>

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

<b>Special Projects</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
\$ -	\$ 479,140	\$ 16,063,217
-	39,637	114,538
123,354	791,102	2,714,447
62,181	235,972	674,969
-	33,450	749,520
-	34,480	346,827
<u>185,535</u>	<u>1,613,781</u>	<u>20,663,518</u>
3,000	159,591	3,562,549
-	245,592	8,542,890
6,250	69,941	1,017,517
-	87,539	792,899
-	-	378,392
-	29,100	4,517,795
-	-	440,794
-	-	91,899
<u>9,250</u>	<u>591,763</u>	<u>19,344,735</u>
<u>176,285</u>	<u>1,022,018</u>	<u>1,318,783</u>
-	-	3,000
-	415,852	1,999,990
<u>(202,057)</u>	<u>(975,202)</u>	<u>(1,821,719)</u>
<u>(202,057)</u>	<u>(559,350)</u>	<u>181,271</u>
<u>(25,772)</u>	<u>462,668</u>	<u>1,500,054</u>
<u>2,051,509</u>	<u>10,027,767</u>	<u>26,921,874</u>
<u>\$ 2,025,737</u>	<u>\$ 10,490,435</u>	<u>\$ 28,421,928</u>

**City of Grass Valley, California**  
**Reconciliation of Fund Basis Statements to**  
**Government-wide Statement of Activities**  
**For the year ended June 30, 2019**

Functions/Programs	Fund Based Totals	Compensated Absences/			Capital Asset			Pension Obligation	Government- wide Totals
		Debt Service	Internal Service	Depreciation	(Additions)/ Retirements	OPEB Obligation			
<b>Governmental activities:</b>									
General government	\$ 3,562,549	\$ 25,045	\$ -	\$ 252,394	\$ 3,000	\$ 440,389	\$ 904,042	\$ 5,187,419	
Public safety	8,542,890	-	-	94,757	-	-	-	8,637,647	
Public ways and facilities	1,017,517	-	-	2,552,987	578,171	-	-	4,148,675	
Community development	792,899	-	(2,939)	160,458	-	-	-	950,418	
Recreation and culture	378,392	-	-	1,569	-	-	-	379,961	
Capital outlay	4,517,795	-	-	-	(4,517,795)	-	-	-	
Debt service/Interest	532,693	(90,427)	-	-	-	-	-	442,266	
<b>Total governmental activities</b>	<b>\$ 19,344,735</b>	<b>\$ (65,382)</b>	<b>\$ (2,939)</b>	<b>\$ 3,062,165</b>	<b>\$ (3,936,624)</b>	<b>\$ 440,389</b>	<b>\$ 904,042</b>	<b>\$ 19,746,386</b>	

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

# City of Grass Valley, California

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the year ended June 30, 2019

**Net change in fund balances - total governmental funds** \$ 1,500,054

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are capitalized and allocated over their useful lives and reported as depreciation expense. The activities associated with capital assets are:

Capital asset purchases capitalized	\$ 3,936,624	
Proceeds from sales of assets	(3,000)	
Depreciation expense	<u>(3,062,165)</u>	871,459

Debt principal payments are reported as expenditures in the governmental funds. The governmental activities, however, report principal payments as a reduction of long-term debt on the Statement of Net Position:

Debt principal payments		90,427
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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:

Change in compensated absences		<u>(25,045)</u>
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Certain employee benefit obligations are recorded on a pay-as-you-go basis in the governmental funds, but are accrued as liabilities in the Statement of Net Position:

Net OPEB obligation	(440,389)	
Net Pension obligation	<u>(904,042)</u>	(1,344,431)

Internal services funds are used by management to charge the costs of certain activities, such as information technology, to individual funds. The change in net position of the Internal Service Funds is (\$2,939).

	<u>2,939</u>	<u>2,939</u>
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<b>Change in net position of governmental activities</b>		<u><u>\$ 1,095,403</u></u>
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The accompanying notes are an integral part of these basic financial statements.

**City of Grass Valley, California**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget to Actual - General Fund and Major Special Revenue Fund**  
**For the year ended June 30, 2019**

	<b>General Fund</b>			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 13,145,974	\$ 13,145,974	\$ 15,584,077	\$ 2,438,103
Fines and forfeitures	-	-	74,901	74,901
Intergovernmental	1,593,380	1,593,380	1,385,608	(207,772)
Use of money and property	37,500	37,500	318,264	280,764
Charges for services	615,552	615,552	716,070	100,518
Other revenues	5,950	5,950	312,347	306,397
<b>Total revenues</b>	<b>15,398,356</b>	<b>15,398,356</b>	<b>18,391,267</b>	<b>2,992,911</b>
<b>EXPENDITURES:</b>				
Current:				
General government	3,793,187	3,793,187	3,399,958	393,229
Public safety	7,467,493	7,467,493	8,297,298	(829,805)
Public ways and facilities	934,908	934,908	941,326	(6,418)
Community development	696,646	696,646	705,360	(8,714)
Recreation and culture	375,246	375,246	378,392	(3,146)
Capital outlay	50,000	50,000	898,496	(848,496)
Debt service:				
Principal	339,893	339,893	440,794	(100,901)
Interest and fiscal charges	90,240	90,240	91,899	(1,659)
<b>Total expenditures</b>	<b>13,747,613</b>	<b>13,747,613</b>	<b>15,153,523</b>	<b>(1,405,910)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,650,743</b>	<b>1,650,743</b>	<b>3,237,744</b>	<b>1,587,001</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sales of assets	-	-	3,000	3,000
Transfers in	75,112	75,112	3,000	(72,112)
Transfers out	-	-	(452,272)	(452,272)
<b>Total other financing sources (uses)</b>	<b>75,112</b>	<b>75,112</b>	<b>(446,272)</b>	<b>(521,384)</b>
<b>Net change in fund balances</b>	<b>1,725,855</b>	<b>1,725,855</b>	<b>2,791,472</b>	<b>1,065,617</b>
<b>FUND BALANCES:</b>				
Beginning of year	11,276,378	11,276,378	11,276,378	-
End of year	<b>\$ 13,002,233</b>	<b>\$ 13,002,233</b>	<b>\$ 14,067,850</b>	<b>\$ 1,065,617</b>

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

HOME Grant Special Revenue Fund				Totals			
Budgeted Amounts		Actual	Variance w/Final Positive (Negative)	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 13,145,974	\$ 13,145,974	\$ 15,584,077	\$ 2,438,103
-	-	-	-	-	-	74,901	74,901
-	-	-	-	1,593,380	1,593,380	1,385,608	(207,772)
80,000	80,000	68,942	(11,058)	117,500	117,500	387,206	269,706
-	-	-	-	615,552	615,552	716,070	100,518
-	-	-	-	5,950	5,950	312,347	306,397
80,000	80,000	68,942	(11,058)	15,478,356	15,478,356	18,460,209	2,981,853
-	-	-	-	3,793,187	3,793,187	3,399,958	393,229
-	-	-	-	7,467,493	7,467,493	8,297,298	(829,805)
-	-	-	-	934,908	934,908	941,326	(6,418)
-	-	-	-	696,646	696,646	705,360	(8,714)
-	-	-	-	375,246	375,246	378,392	(3,146)
-	-	-	-	50,000	50,000	898,496	(848,496)
-	-	-	-	339,893	339,893	440,794	(100,901)
-	-	-	-	90,240	90,240	91,899	(1,659)
-	-	-	-	13,747,613	13,747,613	15,153,523	(1,405,910)
80,000	80,000	68,942	(11,058)	1,730,743	1,730,743	3,306,686	1,575,943
-	-	-	-	-	-	3,000	3,000
-	-	-	-	75,112	75,112	3,000	(72,112)
-	-	-	-	-	-	(452,272)	(452,272)
-	-	-	-	75,112	75,112	(446,272)	(521,384)
80,000	80,000	68,942	(11,058)	1,805,855	1,805,855	2,860,414	1,054,559
4,201,336	4,201,336	4,201,336	-	15,477,714	15,477,714	15,477,714	-
\$ 4,281,336	\$ 4,281,336	\$ 4,270,278	\$ (11,058)	\$ 17,283,569	\$ 17,283,569	\$ 18,338,128	\$ 1,054,559

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## ENTERPRISE FUNDS

Fund	Description
<b>Major Funds:</b>	
Water Fund	Accounts for the operation and maintenance of the City's water treatment and distribution system.
Sewer Fund	Accounts for the operation and maintenance of the City's wastewater treatment plant and collection facilities.

**City of Grass Valley, California**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>	<b>Governmental Activities Vehicle Replacement Internal Service Funds</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>Current assets:</b>				
Cash and investments	\$ 4,626,990	\$ 7,164,899	\$ 11,791,889	\$ 74,719
Restricted cash and investments	-	636,969	636,969	-
Receivables:				
Accounts	298,028	719,533	1,017,561	21,640
Intergovernmental	-	178,839	178,839	-
<b>Total current assets</b>	<u>4,925,018</u>	<u>8,700,240</u>	<u>13,625,258</u>	<u>96,359</u>
<b>Noncurrent assets:</b>				
Capital assets, net	8,441,464	34,903,802	43,345,266	-
<b>Total noncurrent assets</b>	<u>8,441,464</u>	<u>34,903,802</u>	<u>43,345,266</u>	<u>-</u>
<b>Total assets</b>	<u>13,366,482</u>	<u>43,604,042</u>	<u>56,970,524</u>	<u>96,359</u>
Deferred outflows - Pensions	361,282	853,101	1,214,383	-
Deferred outflows - OPEB	9,742	12,131	21,873	-
<b>Total assets and deferred outflows</b>	<u>\$ 13,737,506</u>	<u>\$ 44,469,274</u>	<u>\$ 58,206,780</u>	<u>\$ 96,359</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>				
<b>Current liabilities:</b>				
Accounts payable	130,316	300,717	\$ 431,033	\$ -
Accrued payroll	20,645	44,262	64,907	-
Interest payable	24,992	99,819	124,811	-
Prepaid connection fees	-	240,800	240,800	-
Deposits payable	7,699	-	7,699	-
Long-term liabilities - current portion	232,029	1,040,212	1,272,241	-
Compensated absences - current portion	13,878	55,189	69,067	-
<b>Total current liabilities</b>	<u>429,559</u>	<u>1,780,999</u>	<u>2,210,558</u>	<u>-</u>
<b>Noncurrent liabilities:</b>				
Compensated absences	26,642	69,067	95,709	-
Due after one year	2,294,008	7,440,126	9,734,134	-
Net OPEB obligation	193,265	411,700	604,965	-
Net Pension obligation	1,209,419	2,949,115	4,158,534	-
<b>Total noncurrent liabilities</b>	<u>3,723,334</u>	<u>10,870,008</u>	<u>14,593,342</u>	<u>-</u>
<b>Total liabilities</b>	<u>4,152,893</u>	<u>12,651,007</u>	<u>16,803,900</u>	<u>-</u>
Deferred inflows - Pension	108,110	227,016	335,126	-
<b>Total liabilities and deferred inflows</b>	<u>4,261,003</u>	<u>12,878,023</u>	<u>17,139,026</u>	<u>-</u>
<b>Net Position:</b>				
Net investment in capital assets	5,915,427	26,423,464	32,338,891	-
Restricted	-	636,969	636,969	-
Unrestricted	3,561,076	4,530,818	8,091,894	96,359
<b>Total net position</b>	<u>9,476,503</u>	<u>31,591,251</u>	<u>41,067,754</u>	<u>96,359</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 13,737,506</u>	<u>\$ 44,469,274</u>	<u>\$ 58,206,780</u>	<u>\$ 96,359</u>

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

**City of Grass Valley, California**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2019**

	Water Fund	Sewer Fund	Totals	Governmental Activities
				Vehicle Replacement Internal Service Funds
<b>OPERATING REVENUES:</b>				
Charges for service	2,108,217	5,080,548	\$ 7,188,765	\$ -
Other operating revenue	189,198	358,048	547,246	-
<b>Total operating revenues</b>	<b>2,297,415</b>	<b>5,438,596</b>	<b>7,736,011</b>	<b>-</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	638,121	1,225,001	1,863,122	-
Contractual services	417,547	2,191,136	2,608,683	-
Materials and supplies	45,647	528,170	573,817	-
Repairs and maintenance	12,112	289,113	301,225	-
Purchased water	370,532	-	370,532	-
Utilities	9,921	256,703	266,624	-
Insurance	47,299	105,665	152,964	-
Allocated overhead	47,839	110,137	157,976	-
Depreciation and amortization	395,736	1,962,168	2,357,904	-
<b>Total operating expenses</b>	<b>1,984,754</b>	<b>6,668,093</b>	<b>8,652,847</b>	<b>-</b>
<b>OPERATING INCOME(LOSS)</b>	<b>312,661</b>	<b>(1,229,497)</b>	<b>(916,836)</b>	<b>-</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Gain (Loss) on sale of capital assets	-	8,800	8,800	23,640
Capital contributions	100,693	1,609,373	1,710,066	-
Grants	-	2,606,870	2,606,870	-
Interest revenue	126,486	178,263	304,749	2,718
Interest expense	(103,657)	(304,371)	(408,028)	(29,297)
Miscellaneous revenues (expenses)	120,800	49,472	170,272	-
<b>Total non-operating revenues, net</b>	<b>244,322</b>	<b>4,148,407</b>	<b>4,392,729</b>	<b>(2,939)</b>
<b>NET INCOME(LOSS) BEFORE TRANSFERS</b>	<b>556,983</b>	<b>2,918,910</b>	<b>3,475,893</b>	<b>(2,939)</b>
Transfers in	92,188	100,000	192,188	-
Transfers out	(126,372)	(244,087)	(370,459)	-
<b>Total transfers</b>	<b>(34,184)</b>	<b>(144,087)</b>	<b>(178,271)</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>522,799</b>	<b>2,774,823</b>	<b>3,297,622</b>	<b>(2,939)</b>
<b>NET POSITION:</b>				
Beginning of year	8,953,704	28,816,428	37,770,132	99,298
End of year	<u>\$ 9,476,503</u>	<u>\$ 31,591,251</u>	<u>\$ 41,067,754</u>	<u>\$ 96,359</u>

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

**City of Grass Valley, California**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2019**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>	<u>Governmental Activities Vehicle Replacement Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers/users for services provided	\$ 2,350,006	\$ 5,276,564	\$ 7,626,570	\$ (21,640)
Cash payments to suppliers for goods and services	(960,544)	(3,805,012)	(4,765,556)	-
Cash payments to employees for services	(632,937)	(1,218,610)	(1,851,547)	-
<b>Net cash provided by operating activities</b>	<u>756,525</u>	<u>252,942</u>	<u>1,009,467</u>	<u>(21,640)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Change in net OPEB obligation	18,056	30,233	48,289	-
Change in net pension obligation	103,140	(74,195)	28,945	-
Transfers paid	(126,372)	(244,087)	(370,459)	-
<b>Net cash used by noncapital financing activities</b>	<u>87,012</u>	<u>(188,049)</u>	<u>(101,037)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from grants	-	2,606,870	2,606,870	-
Acquisition and construction of capital assets	(201,159)	(1,696,014)	(1,897,173)	-
Capital contributions	100,693	1,609,373	1,710,066	-
Other income received	120,800	49,472	170,272	-
Principal paid on long term debt	(221,873)	(1,007,354)	(1,229,227)	-
Interest paid on long term debt	(106,305)	(320,849)	(427,154)	(29,297)
Proceeds from sale of capital assets	-	-	-	23,640
<b>Net cash (used) by capital and related financing activities</b>	<u>(307,844)</u>	<u>1,241,498</u>	<u>933,654</u>	<u>(5,657)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income received	126,486	178,263	304,749	2,718
<b>Net cash provided by investing activities</b>	<u>126,486</u>	<u>178,263</u>	<u>304,749</u>	<u>2,718</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>662,179</u>	<u>1,484,654</u>	<u>2,146,833</u>	<u>(24,579)</u>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	3,964,811	6,317,214	10,282,025	99,298
End of year	<u>\$ 4,626,990</u>	<u>\$ 7,801,868</u>	<u>\$ 12,428,858</u>	<u>\$ 74,719</u>
<b>PRESENTATION IN STATEMENT OF NET POSITION:</b>				
Cash and investments	\$ 4,626,990	\$ 7,164,899	\$ 11,791,889	\$ 74,719
Restricted cash and investments	-	636,969	636,969	-
<b>Total Cash and Cash Equivalents</b>	<u>\$ 4,626,990</u>	<u>\$ 7,801,868</u>	<u>\$ 12,428,858</u>	<u>\$ 74,719</u>
<b>Reconciliation of income from operations to net cash provided by operating activities:</b>				
Operating income	\$ 312,661	\$ (1,229,497)	\$ (916,836)	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	395,736	1,962,168	2,357,904	-
OPEB adjustments	(5,285)	(2,427)	(7,712)	-
(Increase) decrease in current assets:				
Accounts receivable	52,193	14,483	66,676	(21,640)
Intergovernmental receivables	127	(176,515)	(176,388)	-
Increase (decrease) in liabilities and deferred inflows/outflows:				
Accounts payable	(4,362)	(321,661)	(326,023)	-
Accrued payroll	2,346	(7,417)	(5,071)	-
Compensated absences	2,838	13,808	16,646	-
<b>Net cash provided by operating activities</b>	<u>\$ 756,525</u>	<u>\$ 252,942</u>	<u>\$ 1,009,467</u>	<u>\$ (21,640)</u>

**There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2019.**

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

## FIDUCIARY ACTIVITIES

Fund	Description
<b>Private Purpose Trust Funds are used for resources held for other individuals and entities in a manner similar to private enterprise.</b>	
<b>Private Purpose Trust Funds</b>	
Successor Agency - Grass Valley Redevelopment Agency	Accounts for funds collected and disbursed for the dissolution of the former Grass Valley Redevelopment Agency related to Administration and Retirement of enforceable obligations
Housing	Accounts for funds collected and disbursed for the dissolution of the former Grass Valley Redevelopment Agency's housing related debts.
<b>Agency Funds</b>	
Whispering Pines Morgan Ranch Redemption	Accounts for assessments made for debt service of the Whispering Pines Morgan Ranch Redemption AD bonds for which the City is not obligated.
Whispering Pines Morgan Ranch Reserve 2001	Accounts for assessments made for debt service of the Whispering Pines Morgan Ranch Reserve 2001 AD bonds for which the City is not obligated.
Whispering Pines Morgan Ranch Redemption 2001	Accounts for assessments made for debt service of the Whispering Pines Morgan Ranch Redemption 2001 AD bonds for which the City is not obligated.

**City of Grass Valley, California**

**Statement of Fiduciary Net Position**

Fiduciary Activities

June 30, 2019

	Successor Agency		
	Former Grass Valley Redevelopment Agency	Housing	Agency Funds
Current assets:			
Cash and investments	\$ 1,197,867	\$ -	\$ 180,232
Cash and investments with trustee/fiscal agent	975,697	-	178,364
Notes/Loans receivable	17,610	989,297	-
Assessments receivable	-	-	759
Total current assets	2,191,174	989,297	359,355
<b>Total assets</b>	\$ 2,191,174	\$ 989,297	\$ 359,355
<b>LIABILITIES AND NET POSITION</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,736	\$ -	\$ 615
Due to others	-	-	358,740
Current portion of long-term debt	327,339	-	-
Total current liabilities	329,075	-	359,355
Long-term liabilities:			
Due after one year	8,094,832	-	-
Total long-term liabilities	8,094,832	-	-
<b>Total liabilities</b>	8,423,907	-	\$ 359,355
<b>Net Position (Deficit):</b>			
Restricted for:			
Debt service	975,697	-	
Net position held in trust for			
Redevelopment Dissolution	(7,208,430)	989,297	
<b>Total net position (deficit)</b>	(6,232,733)	989,297	
<b>Total liabilities and net position</b>	\$ 2,191,174	\$ 989,297	

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

**City of Grass Valley, California**  
**Statement of Changes in Fiduciary Net Position**  
Private Purpose Trust Funds  
For the year ended June 30, 2019

	Successor Agency		
	Former Grass Valley Redevelopment Agency	Housing	Totals
	Agency	Housing	Totals
<b>ADDITIONS:</b>			
Property taxes	\$ 1,081,387	\$ -	\$ 1,081,387
Investment income	37,343	25,447	62,790
Other	307,339	-	307,339
<b>Total additions</b>	<u>1,426,069</u>	<u>25,447</u>	<u>1,451,516</u>
<b>DEDUCTIONS:</b>			
Community development	798,657	-	798,657
<b>Total deductions</b>	<u>798,657</u>	<u>-</u>	<u>798,657</u>
Transfers in	10,000	-	10,000
Transfers out	-	(10,000)	(10,000)
<b>Total transfers</b>	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>
<b>CHANGE IN FIDUCIARY NET POSITION</b>	<u>637,412</u>	<u>15,447</u>	<u>652,859</u>
<b>NET POSITION (DEFICIT):</b>			
Beginning of year	(6,870,145)	973,850	(5,896,295)
End of year	<u>\$ (6,232,733)</u>	<u>\$ 989,297</u>	<u>\$ (5,243,436)</u>

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

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**NOTES TO BASIC FINANCIAL STATEMENTS**

**City of Grass Valley, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2019**

**Index to Notes to Basic Financial Statements**

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	<u>Page</u>
<b>Note 1 - Summary of Significant Accounting Policies</b> .....	45
Financial Reporting Entity.....	45
Basis of Presentation.....	46
Measurement Focus.....	48
Basis of Accounting.....	49
Assets, Liabilities, and Equity.....	50
Revenues, Expenditures, and Expenses.....	54
Budgetary Accounting.....	55
<b>Note 2 – Cash and Investments</b> .....	57
<b>Note 3 – Accounts Receivable</b> .....	61
<b>Note 4 – Loans and Notes Receivable</b> .....	62
<b>Note 5 – Capital Assets</b> .....	63
<b>Note 6 – Accounts Payable and Accrued Liabilities</b> .....	65
<b>Note 7 – Long-term Liabilities</b> .....	65
<b>Note 8 – Net Position/Fund Balances</b> .....	70
<b>Note 9 – Interfund Transactions</b> .....	74
<b>Note 10 – Risk Management</b> .....	76
<b>Note 11 – Public Employee Retirement System</b> .....	76
<b>Note 12 – Other Post-Employment Benefits</b> .....	83
<b>Note 13 – Successor Agency Trust for Assets of Former Redevelopment Agency</b> .....	87
<b>Note 14 – Commitments and Contingencies</b> .....	91
<b>Note 15 – New Accounting Pronouncements</b> .....	91

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Grass Valley (City) operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, health and sanitation, recreation-culture, public improvements, public improvements, planning and zoning, general administrative services, water, and sewer.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, GASB issued 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 to its activities.

In addition, the City applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

***Financial Reporting Entity***

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include sales taxes, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Financial Reporting Entity, Continued*

As required by GAAP, these financial statements present the government and its component unit, entities for which the government is considered to be financially accountable. This component unit is on a blended basis. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The financial statements of the individual component unit, if applicable as indicated below, may be obtained by writing to the City of Grass Valley, City of Grass Valley, Finance Department, 125 East Main Street, Grass Valley, CA, 95945.

*Basis of Presentation*

*Government-Wide Financial Statements*

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions restricted to the operating or capital requirements of a specific function or segment. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

*Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Basis of Presentation, Continued*

The City reports the following major governmental funds:

- General Fund
- HOME Grant Special Revenue Fund
- Capital Projects Fund
- Special Projects Fund

The City reports the following major proprietary funds:

- Water Fund
- Sewer Fund

The City reports the following additional fund types:

- Special Revenue Funds
- Internal Service Funds
- Permanent Funds
- Private Purpose Trust Funds
- Agency Funds

Descriptions of these funds are included on the divider page preceding the Governmental Funds Balance Sheet.

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

The General Fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

*Special Revenue Funds*

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted to expenditures for particular purposes.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Basis of Presentation, Continued*

*Capital Project Funds*

The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

**Proprietary Funds**

*Enterprise Funds*

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges.

*Internal Service Funds*

Internal Service Funds are used to account for financial transactions related to the City's Garage Department. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

**Fiduciary Funds**

*Private Purpose Trust Funds*

Private Purpose Trust Funds account for resources held for other individuals or entities in a manner similar to private enterprise.

**Measurement Focus**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net Position and the Statement of Activities, governmental and business-type activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net Position, which serves as an indicator of financial position.

In the fund financial statements, the "current financial resources" measurement focus is used for governmental funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Measurement Focus, Continued*

The enterprise funds and private purpose trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. Enterprise fund and private purpose trust funds equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

*Basis of Accounting*

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means the amount is collectible within the current period or soon enough thereafter to pay current liabilities. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end, with the exception of grant revenues.

Grant revenues are considered to be available if collected within 180 days of the end of the current fiscal period.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

The enterprise funds and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Assets, Liabilities, and Equity*

**Cash Deposits and Investments**

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.

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

**Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 9 for details of interfund transactions, including receivables and payables at year-end.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales and use taxes, utility user taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, utility user tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The loans receivable are recorded in the fund statements, but are deferred to indicate they do not represent current financial resources. The loans are recognized when advanced in the government-wide statements. The City's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Assets, Liabilities, and Equity, Continued*

**Inventory**

Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Capital Assets**

The City's assets are capitalized at historical cost or estimated historical cost, if actual is unavailable, except for donated Capital Assets which are recorded at their estimated fair value at the date of donation. Policy has set the capitalization threshold for reporting at \$5,000 for non-infrastructure capital assets and \$25,000 for infrastructure capital assets.

*Government-Wide Statements*

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized, since then these assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. No depreciation is recorded in the year of acquisition or in the year of disposition.

The range of estimated useful lives by type of asset is as follows:

Equipment	3 – 25 years
Structures and improvements	5 – 50 years
Infrastructure	20 – 75 years

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Assets, Liabilities, and Equity, Continued*

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

**Compensated Absences**

Employees accrue vacation, sick, holiday, and compensatory time off benefits. City employees have vested interests in the amount of accrued time off, with the exception of sick time, and are paid on termination. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements and is currently payable. The City had no employee resignations or retirements for which compensated absences should be accrued in governmental funds at year-end. The general fund is typically used to liquidate compensated absences.

**Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has only has one item that qualifies for reporting in this category. It is the deferred charge on pension plan contributions on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item reported as a deferred inflow of resources. The deferred inflow our resources is the net difference between projected and actual earnings on pension plan investments and is reported on the statement of net position.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Assets, Liabilities, and Equity, Continued*

**Equity Classification**

*Government-Wide Statements*

Equity is classified as net position and is displayed in three components:

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

*Fund Financial Statements*

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

***Nonspendable Fund Balance*** –

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

***Restricted Fund Balance*** –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (Gas Tax).

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Assets, Liabilities, and Equity, Continued*

**Equity Classification, Continued**

*Committed Fund Balance –*

- Self imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove.
- Council resolution is required to be taken to establish, modify or rescind a fund balance commitment

*Assigned Fund Balance –*

- Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.
- Assigned amounts for a specific purpose are as authorized by the City's Finance Director through its fund balance policy.

*Unassigned Fund Balance –*

- Residual net resources
- Total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

*Revenues, Expenditures, and Expenses*

**Property Tax**

Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes.

Nevada County assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Property taxes are levied on a fiscal year (July 1 – June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1 and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Property Tax, Continued**

The City recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end.

**Interfund Transfers**

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**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 Local Government of Example's California Public Employees' Retirement System (CaIPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CaIPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Budgetary Accounting***

The City Council establishes budgets for the General Fund and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. 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 in accordance with the municipal code.

The City Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The City Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval. The City Manager is authorized to increase expenditures in relation to revenues in funds receiving assigned revenues without approval by the City Council.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. There were no material supplemental appropriations made for the fiscal year ended June 30, 2019. Budget information is presented for the General and budgeted Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

**Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date June 30, 2019  
Measurement Date June 30, 2019  
Measurement Period July 1, 2017 to June 30, 2019

**Reclassifications**

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**2. CASH AND INVESTMENTS**

At June 30, 2019, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

<u>Cash, cash equivalents and investments pooled</u>	Maturities (in years)			Deposits	Fair Market Value		
	<1	1 to 3	3 to 5				
<u>Pooled cash, at fair value</u>							
Cash in bank	\$ -	\$ -	\$ -	\$ 1,765,367	\$ 1,765,367		
Petty cash	-	-	-	850	850		
Total pooled items	-	-	-	1,766,217	1,766,217		
<u>Pooled investments, at fair value</u>							
Interest obligations							
	<u>Par</u>	<u>Rate</u>					
\$ 4,545,000	1.5 - 2.39%	Federal Agency Securities	-	3,542,816	998,875	-	4,541,691
3,750,500	1.05 - 3.5%	Certificate of Deposits	249,923	2,731,177	757,475	-	3,738,575
		Money market	15,064	-	-	-	15,064
State of California Local Agency Investment Fund	22,786,202		-	-	-	-	22,786,202
Total pooled investments - interest obligations	23,051,189		6,273,993	1,756,350	-	-	31,081,532
Total cash equivalents and investments pooled	\$ 23,051,189	\$ 6,273,993	\$ 1,756,350	\$ 1,766,217	\$ 32,847,749		

**Amounts reported in:**

Governmental activities	\$ 17,886,731
Business-type activities	11,791,889
Business-type activities - Restricted	636,969
Fiduciary activities	1,378,099
Fiduciary activities - Restricted	1,154,061
Total	\$ 32,847,749

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Federal agency securities	4,541,691	2.13
Certificates of deposits	3,738,575	2.50
Money market funds	15,064	N/A
Local Agency Investment Fund	22,786,202	N/A
Total fair value	\$ 31,081,532	
Weighted average of maturity		2.32

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**2. CASH AND INVESTMENTS, Continued**

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. The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code of the City’s investment policy. During the year ended June 30, 2019, the City’s permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Bankers' Acceptances	180 days	40%	None
Certificates of Deposits	180 days	20%	None
Negotiable Certificates of Deposit	180 days	30%	None
Commercial Paper	180 days	15%	None
State of California Local Agency Investment Fund (State Pool)	N/A	Unlimited	\$50 Million per entity
Medium Term Notes	5 years	30%	None
Money Market Funds	N/A	Unlimited	None
Passbook Savings and Money Market Accounts (Insured)	None	Unlimited	None
U.S. Treasury Obligations	None	Unlimited	None
U.S. Government Agency Issues	None	Unlimited	None
Repurchase Agreements	30 days	10%	None
Mortgage pass-through and asset backed securities	5 years	20%	None

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**2. CASH AND INVESTMENTS, Continued**

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	None	None	None
Local Agency Investment Fund (State Pool)	N/A	None	None
Certificates of Deposit with Banks and Savings and Loans	None	None	None
Municipal Obligations	None	None	None

*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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

*Credit risk* – As of June 30, 2019, the City’s investments in money market funds were rated AAA by Standard & Poor’s and Fitch Ratings, and Aaa by Moody’s Investors Service. The State of California Local Agency Investment Fund is not rated.

*Concentration of credit risk* – The City’s investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government’s total investments. The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City’s Investment Policy, which is accepted annually by the City Council. There were no concentrations in any one issuer for the year.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested 1.77% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**2. CASH AND INVESTMENTS, Continued**

*Custodial credit risk – deposits.* For deposits, this is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's Investment Policy addresses custodial credit risk, which follows the Government Code.

At June 30, 2019, the carrying amount of the City's deposits was \$1,765,367 and the balances in financial institutions were \$338,554. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$88,554 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City. As of June 30, 2019, the City's investments were held by the City's custodial agent, but not in the City's name, and were insured up to specified limits by the Securities Investor Protection Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million.

*Custodial credit risk – investments.* For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the City, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

**Investment in LAIF**

The City is a voluntary participant in California Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute, and is chaired by the State Treasurer who is responsible for day to day administration of LAIF. The total amount invested by all public agencies as of June 30, 2019 was \$24,584,685,2780 of which the City had a balance of \$22,786,202. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2019 has a portfolio with market valuation of \$105,814,483,092. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30, 2019:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Current:				
Taxes and assessments	\$ 2,231,667	\$ -	\$ 759	\$ 2,232,426
Interest	163,498	-	-	163,498
Accounts	-	1,017,561	-	1,017,561
Intergovernmental	181,395	178,839	-	360,234
Other receivable	337,418	-	-	337,418
Total current	<u>2,913,978</u>	<u>1,196,400</u>	<u>759</u>	<u>4,111,137</u>
Noncurrent:				
Loans receivable	9,742,712	-	1,006,907	10,749,619
Total noncurrent	<u>9,742,712</u>	<u>-</u>	<u>1,006,907</u>	<u>10,749,619</u>
Total receivables	<u>\$ 12,656,690</u>	<u>\$ 1,196,400</u>	<u>\$ 1,007,666</u>	<u>\$ 14,860,756</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	17.45%
Individuals/Businesses	79.18%
Financial	1.10%
Other	2.27%

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business or agency.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**4. LOANS AND NOTES RECEIVABLE**

Through the City’s various housing rehabilitation funds and first-time home buyer’s funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest. Some of these loans were transferred to the successor agency and are reported in the respective trust fund.

Loans and notes receivable for governmental activities for the year ended June 30, 2019, consisted of the following:

	Beginning July 1, 2018	Additions	Deletions	Ending June 30, 2019
Community Development Block Grant	\$ 666,053	\$ 1,230	\$ (5,251)	\$ 662,032
HOME loans	7,771,036	218,199	(75,000)	7,914,235
STBG	527,104	1,275	(6,165)	522,214
Business Revolving Loans	309,816	-	(30,022)	279,794
Rehabilitation loans	391,352	5,206	(32,121)	364,437
Total loans/notes receivable	<u>\$ 9,665,361</u>	<u>\$ 225,910</u>	<u>\$ (148,559)</u>	<u>\$ 9,742,712</u>

The following is a summary of the loans and notes receivable outstanding as of June 30, 2019:

***Community Development Block Grant*** – The City participates in a CDBG Revolving loan program. The program is federally funded and provides housing rehabilitation loans to eligible applicants. The City makes loans to resident homeowners who qualify as low income, some of which are deferred and are not repaid until the title to property changes. The balance of these loans at June 30, 2019, was \$662,032.

***HOME Loans*** – The City participates in a HOME Loan program. The program is federally funded and provides loans for first-time homebuyers to eligible participants. The City makes loans available to resident homeowners who qualify as low income. These loans are deferred and the City maintains an equity sharing agreement with the participant.

***Basic Business Revolving Loans*** – These loans are made from unrestricted program income for the purpose of assisting local business with economic development loans for specifically identified purposes.

***Business Loan: Grass Valley Theatre*** – During 2008, the City loaned money to the owners of a historic theatre in downtown district for rehabilitation.

***Mobile Home Park Low Income Housing Assistance*** – The City began a program of housing assistance to help low and moderate income individuals with purchases of a mobile home. Qualifying individuals receive down payment assistance with the loan deferred as long as it is an owner-occupied dwelling. Interest and/or principal may be waived if certain terms are met by the borrower.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**4. LOANS AND NOTES RECEIVABLE, Continued**

*First-Time Home Buyers* – The City maintains loans receivable for Low and Moderate Income Housing. The notes receivable principal balances are recorded in the fund-based statements as loans receivable. Interest on certain loans may be waived by the City if the loan remains outstanding for the full term; therefore, interest income is recorded when received.

*Rehabilitation Loan* – The City loaned \$880,000 to the Nevada Bay Housing and Development Corporation for Low and Moderate Income Housing for Janes Creek Meadows. Land purchased by the City was deposited into the Community Land Trust for development purposes. The notes receivable principal balances are recorded in the fund-based statements as loans receivable. Upon development, the principal and interest on the loan may be waived by the City if the loan remains outstanding for the full term and the development is accepted by the City; therefore, interest income is recorded when received.

**5. CAPITAL ASSETS**

Governmental capital asset activity for the year ended June 30, 2019, was as follows:

<b>Governmental activities</b>	Balance July 1, 2018	Additions	Deletions	Adjustments / Transfers	Balance June 30, 2019
<b>Nondepreciable assets:</b>					
Land	\$ 2,881,632	\$ 60,886	\$ -	\$ -	\$ 2,942,518
Construction in progress	3,196,858	1,592,739	-	-	4,789,597
<b>Total nondepreciable assets</b>	<b>6,078,490</b>	<b>1,653,625</b>	<b>-</b>	<b>-</b>	<b>7,732,115</b>
<b>Depreciable assets:</b>					
Buildings and Improvements	12,458,287	863,812	-	-	13,322,099
Equipment	9,196,376	576,502	(168,220)	-	9,604,658
Infrastructure	66,158,883	912,668	-	-	67,071,551
Leased assets-Enterprise	242,075	101,115	-	-	343,190
<b>Total depreciable assets</b>	<b>88,055,621</b>	<b>2,454,097</b>	<b>(168,220)</b>	<b>-</b>	<b>90,341,498</b>
<b>Total</b>	<b>94,134,111</b>	<b>4,107,722</b>	<b>(168,220)</b>	<b>-</b>	<b>98,073,613</b>
<b>Accumulated depreciation:</b>					
Buildings and Improvements	(7,632,717)	(521,512)	-	-	(8,154,229)
Equipment	(6,466,805)	(372,681)	-	-	(6,839,486)
Infrastructure	(30,016,442)	(2,107,450)	-	-	(32,123,892)
Leased assets-Enterprise	(24,207)	(60,522)	-	-	(84,729)
<b>Total accumulated depreciation</b>	<b>(44,140,171)</b>	<b>(3,062,165)</b>	<b>-</b>	<b>-</b>	<b>(47,202,336)</b>
<b>Net depreciable assets</b>	<b>43,915,450</b>	<b>(608,068)</b>	<b>(168,220)</b>	<b>-</b>	<b>43,139,162</b>
<b>Total net capital assets</b>	<b>\$ 49,993,940</b>	<b>\$ 1,045,557</b>	<b>\$ (168,220)</b>	<b>\$ -</b>	<b>\$ 50,871,277</b>

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**5. CAPITAL ASSETS, Continued**

Depreciation expense for Governmental Activities capital assets was charged to functions as follows:

General government	\$ 252,394
Public safety	94,757
Public ways and facilities	2,552,987
Community development	160,458
Parks and recreation	1,569
	<u>\$ 3,062,165</u>

Business-type capital asset activity for the year ended June 30, 2019, was as follows:

<u>Business-type activities</u>	Balance July 1, 2018	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2019
<u>Nondepreciable assets:</u>					
Land	\$ 239,401		\$ -	\$ -	\$ 239,401
Construction in progress	5,986,406	-	-	(4,490,871)	1,495,535
Total nondepreciable assets	<u>6,225,807</u>	<u>-</u>	<u>-</u>	<u>(4,490,871)</u>	<u>1,734,936</u>
<u>Depreciable assets:</u>					
Buildings and Improvements	52,421,692	-	-	5,959,594	58,381,286
Equipment	1,262,791	85,098	-	-	1,347,889
Infrastructure	19,701,502	-	-	430,324	20,131,826
Total depreciable assets	<u>73,385,985</u>	<u>85,098</u>	<u>-</u>	<u>6,389,918</u>	<u>79,861,001</u>
Total assets	<u>79,611,792</u>	<u>85,098</u>	<u>-</u>	<u>1,899,047</u>	<u>81,595,937</u>
<u>Accumulated depreciation:</u>					
Buildings and Improvements	(24,704,314)	(1,857,977)	-	-	(26,562,291)
Equipment	(906,426)	(91,828)	-	-	(998,254)
Infrastructure	(10,242,941)	(447,185)	-	-	(10,690,126)
Total accumulated depreciation	<u>(35,853,681)</u>	<u>(2,396,990)</u>	<u>-</u>	<u>-</u>	<u>(38,250,671)</u>
Net depreciable assets	<u>37,532,304</u>	<u>(2,311,892)</u>	<u>-</u>	<u>6,389,918</u>	<u>41,610,330</u>
Total net capital assets	<u>\$ 43,758,111</u>	<u>\$ (2,311,892)</u>	<u>\$ -</u>	<u>\$ 1,899,047</u>	<u>\$ 43,345,266</u>

Depreciation expense for Business-type activities capital assets was charged to functions as follows:

Water	\$ 395,736
Sewer	2,001,254
	<u>\$ 2,396,990</u>

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2019:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 1,411,435	\$ 671,833	\$ 2,351	\$ 2,085,619
Accrued payroll and related liabilities	383,452	64,907	-	448,359
Interest payable	-	124,811	-	124,811
Deposits payable	232,156	7,699	-	239,855
Due to others	-	-	358,740	358,740
<b>Total</b>	<b>\$ 2,027,043</b>	<b>\$ 869,250</b>	<b>\$ 361,091</b>	<b>\$ 3,257,384</b>

These amounts resulted in the following concentrations in payables:

Vendors	86.2%
Employees	13.8%

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or employee.

**7. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year
<b>Governmental activities:</b>					
Capital leases	\$ 1,465,731	\$ 290,936	\$ (55,363)	\$ 1,701,304	\$ 18,876
2013 Bank Loan- Pension Obligation	1,011,000	-	(326,000)	685,000	337,000
Compensated absences	812,243	-	25,045	837,288	272,799
Net OPEB obligation	6,041,620	524,093	-	6,565,713	-
Net Pension obligation	14,650,220	156,459	-	14,806,679	-
<b>Total governmental activities liabilities</b>	<b>\$ 23,980,814</b>	<b>\$ 971,488</b>	<b>\$ (356,318)</b>	<b>\$ 24,595,984</b>	<b>\$ 628,675</b>
<b>Business-type activities:</b>					
2011 Wastewater refunding bonds	\$ 3,825,000	\$ -	\$ (405,000)	\$ 3,420,000	\$ 425,000
Premium paid in refunding	312,687	-	(39,085)	273,602	39,086
Net 2011 Wastewater refunding bonds	4,137,687	-	(444,085)	3,693,602	464,086
California Water Resources Control Board revolving loan	2,577,416	-	(497,228)	2,080,188	506,192
California Department of Water Resources safe drinking water loan	1,305,359	-	(105,530)	1,199,829	109,038
Capital lease - Bank of America Leasing	1,411,311	-	(149,225)	1,262,086	156,284
Capital leases	2,764,742	32,896	(26,969)	2,770,669	36,641
<b>Total business-type activity debt</b>	<b>12,196,515</b>	<b>32,896</b>	<b>(1,223,037)</b>	<b>11,006,374</b>	<b>1,272,241</b>
Compensated absences	148,130	16,646	-	164,776	69,067
Net OPEB obligation	556,676	48,289	-	604,965	-
Net Pension obligation	4,339,549	-	(181,015)	4,158,534	-
<b>Total business-type activities liabilities</b>	<b>\$ 12,901,321</b>	<b>\$ 97,831</b>	<b>\$ (1,223,037)</b>	<b>\$ 15,934,649</b>	<b>\$ 1,341,308</b>

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**7. LONG-TERM LIABILITIES, Continued**

**Governmental Activities:**

**Lease Obligations**

In fiscal year 2015, the City entered into an agreement with Municipal Finance Corporation for 20 years in the amount of \$4,288,000. The principal and interest are payable in quarterly installments beginning in March 2015. The last installment is due on September 2035. The City is making a portion of the payments from the General, Water, and Sewer Funds. The lease obligation has an interest rate of 3.9%. As of June 30, 2019, the outstanding balance of the lease obligation was \$1,701,304.

**2014 Bank Loan**

On May 1, 2014, the City entered into an agreement to obtain financing from Umpqua Bank in the amount of \$2,437,000 to fund the City's unfunded liability to CalPERS related to the City's miscellaneous, fire-safety and police-safety pension groups. The principal is payable annually starting from May 1, 2017 in an amount ranging from \$247,000 to \$348,000. The last principal payment is due on May 1, 2021. The bonds bear an interest rate of 3.45% per annum. Interest is payable semi-annually on November 1 and May 1. The first interest payment was made on November 1, 2014 and the final payment is due on May 1, 2021. As of June 30, 2019, the outstanding balance of the loan was \$685,000.

**Business-type Activities:**

**2011 Wastewater Refunding Bonds**

On August 1, 2011, the City issued the 2011 Wastewater Refunding Bonds in the amount of \$5,930,000. The Bonds bear interest rates of 2.0% to 5.0% per annum and matures on August 1, 2025. The principals are payable in annual installments of \$310,000 to \$555,000 on the anniversary of the bond issuance and interests are payable semi-annually on February 1 and August 1. These bonds were used to refund the Wastewater Certificates of Participation.

**California Department of Water Resources**

On March 12, 1991, the City obtained \$3,255,000 California Department of Water Resources Safe Drinking Water Loan. The loan bears an interest rate of 3.37% per annum and matures on September 30, 2028. The principal and interests are amortized in equal semi-annual payments of \$74,329. This loan was used to finance improvements to the City's water system.

**State of California - State Water Resources Control Board**

On November 19, 1999, the City obtained a revolving loan from The State of California – State Water Resources Control Board in the amount of \$10,833,312. The loan bears no interest and the principal is payable in 20 equal annual installments of \$543,697. The first installment was paid on July 31, 2003 and the last is due on July 31, 2022. The loan was used to finance sewer plant expansion.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**7. LONG-TERM LIABILITIES, Continued**

**Capital Lease Obligations**

On June 30, 2011, the City entered into an agreement with Banc of America Leasing to lease automated meter reading system for \$2,283,276. 75.5% of the lease amount or \$1,723,873 is borne by the Water Fund and the remaining \$559,402.62 by the Sewer Fund. The lease obligations are payable semi-annually beginning August 22, 2011 until February 22, 2026. The water fund and sewer portion of the semi-annual principal payments are \$80,594 and \$26,153, respectively. As at June 30, 2019, the outstanding balance of the lease amounted to \$1,326,208.

**Compensated Absences**

The City records employee absences, such as vacation, illness, and holidays, for which it is expected that employees will be paid as compensated absences. Compensated absences had a balance of \$837,288 for governmental activities and \$164,776 for business-type activities at June 30, 2019, of those amounts \$341,866 is expected to be paid within a year.

**Net OPEB Obligation**

A net OPEB obligation is the cumulative differences between annual OPEB cost and an employer's contributions to a plan. At June 30, 2019, the City had a Net OPEB Obligation of \$6,565,703 for governmental activities and \$604,965 for business-type activities. See Note 12 for further discussion on OPEB.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**7. LONG-TERM LIABILITIES, Continued**

Future debt service for Governmental Activities at June 30, 2019, is as follows for all debt except compensated absences and the Net OPEB obligation:

Year Ending June 30,	Governmental Activities					
	Corporation		2013 Umpqua Bank		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	18,876	54,747	337,000	23,632	\$ 355,876	\$ 78,379
2021	28,116	53,896	348,000	12,006	376,116	65,902
2022	35,507	52,644	-	-	35,507	52,644
2023	42,147	51,195	-	-	42,147	51,195
2024	49,290	49,448	-	-	49,290	49,448
2025-2029	373,443	210,251	-	-	373,443	210,251
2030-2034	491,258	101,300	-	-	491,258	101,300
2035-2038	371,732	18,656	-	-	371,732	18,656
Total	<u>\$ 1,410,369</u>	<u>\$ 592,137</u>	<u>\$ 685,000</u>	<u>\$ 35,638</u>	<u>\$ 2,095,369</u>	<u>\$ 627,775</u>
Due within one year	\$ 18,876	\$ 54,747	\$ 337,000	\$ 23,632	\$ 355,876	\$ 78,379
Due after one year	<u>1,391,493</u>	<u>537,390</u>	<u>348,000</u>	<u>12,006</u>	<u>1,739,493</u>	<u>549,396</u>
	<u>\$ 1,410,369</u>	<u>\$ 592,137</u>	<u>\$ 685,000</u>	<u>\$ 35,638</u>	<u>\$ 2,095,369</u>	<u>\$ 627,775</u>

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**7. LONG-TERM LIABILITIES, Continued**

Future debt service for Business-type Activities at June 30, 2019, is as follows for all debt except compensated absences and the Net OPEB obligation:

Year Ending June 30,	Business Type Activities					
	2011 Wastewater refunding bonds		State of California - Safe Drinking Water Loan		State of California - State Water Resources Control Board	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 425,000	\$ 146,613	\$ 109,038	\$ 39,620	\$ 506,192	\$ 37,506
2021	440,000	129,238	112,900	35,758	515,318	28,379
2022	465,000	106,613	116,663	31,995	524,609	19,088
2023	490,000	82,738	120,629	28,029	534,069	9,629
2024	510,000	57,738	124,683	23,975	-	-
2025-2029	1,090,000	46,081	615,916	53,045	-	-
2030-2034	-	-	-	-	-	-
Total	<u>\$ 3,420,000</u>	<u>\$ 569,021</u>	<u>\$ 1,199,829</u>	<u>\$ 212,422</u>	<u>\$ 2,080,188</u>	<u>\$ 94,602</u>
Due within one year	\$ 425,000	\$ 146,613	\$ 109,038	\$ 39,620	\$ 506,192	\$ 37,506
Due after one year	2,995,000	422,408	1,090,791	172,802	1,573,996	57,096
Total	<u>3,420,000</u>	<u>\$ 569,021</u>	<u>\$ 1,199,829</u>	<u>\$ 212,422</u>	<u>\$ 2,080,188</u>	<u>\$ 94,602</u>
Premium on refunding	273,602					
Total	<u>\$ 3,693,602</u>					

Year Ending June 30,	Business Type Activities					
	Capital lease Bank of America Leasing		Capital lease Municipal Finance Corporation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 156,284	\$ 57,210	\$ 36,641	\$ 106,273	\$ 1,272,241	\$ 387,222
2021	163,678	49,816	54,578	104,621	1,286,474	347,812
2022	171,421	42,075	68,925	102,192	1,346,618	301,963
2023	179,530	33,964	81,815	99,378	1,406,043	253,738
2024	188,023	25,471	95,681	95,987	918,387	203,171
2025-2029	403,150	23,836	724,918	408,135	2,833,984	531,097
2030-2034	-	-	1,256,608	220,449	1,256,608	220,449
2035-2039	-	-	451,503	12,408	451,503	12,408
Total	<u>\$ 1,262,086</u>	<u>\$ 232,372</u>	<u>\$ 2,770,669</u>	<u>\$ 1,149,443</u>	<u>\$ 10,771,858</u>	<u>\$ 2,257,860</u>
Premium on refunding					234,516	
Total					<u>\$ 11,006,374</u>	
Due within one year	\$ 156,284	\$ 57,210	\$ 36,641	\$ 106,273	\$ 1,272,241	\$ 387,222
Due after one year	1,105,802	175,162	2,734,028	1,043,170	9,734,133	1,870,638
Total	<u>\$ 1,262,086</u>	<u>\$ 232,372</u>	<u>\$ 2,770,669</u>	<u>\$ 1,149,443</u>	<u>\$ 11,006,374</u>	<u>\$ 2,257,860</u>

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**8. NET POSITION/FUND BALANCES**

**Net Position**

	Governmental Activities	Business-type Activities	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net investment in capital assets	\$ 48,484,973	\$ 32,338,891	\$ 80,823,864
Restricted	3,460,568	636,969	4,097,537
Unrestricted	<u>5,678,248</u>	<u>8,091,894</u>	<u>13,770,142</u>
Total	<u>\$ 57,623,789</u>	<u>\$ 41,067,754</u>	<u>\$ 98,691,543</u>

- Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions on the top of Page 72.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**8. NET POSITION/FUND BALANCES, Continued**

**Fund Balances**

Nonspendable and Restricted fund balances consisted of the following at June 30, 2019:

<b><u>Nonspendable:</u></b>	
General fund	\$ 1,909
HOME grant special revenue fund	4,270,278
Block grant special revenue funds	1,535,611
Housing special revenue funds	4,008,394
<b>Total Nonspendable</b>	<b><u>\$ 9,816,192</u></b>
<b><u>Restricted:</u></b>	
Governmental funds:	
General Fund	1,631,530
Special revenue funds	
Gas tax	1,263,817
Maintenance District Funds	121,666
Block Grant Funds	60,876
Housing Funds	262,446
Elizabeth Daniels	91,583
Animal shelter	28,650
<b>Total Restricted</b>	<b><u>3,460,568</u></b>
<b><u>Assigned</u></b>	<b><u>5,166,992</u></b>
<b><u>Unassigned:</u></b>	
General Fund	12,434,411
Capital Projects	(2,432,372)
Unassigned (deficit)	(23,863)
<b>Total Unassigned</b>	<b><u>9,978,176</u></b>
<b>Total Fund Balance</b>	<b><u>\$ 28,421,928</u></b>

The following describes the purpose of each nonspendable and restricted category used by the City:

**Nonspendable**

- **General Fund** – used to segregate that portion of fund balance to indicate that prepaid amounts do not represent available, spendable resources even though they are components of assets
- **HOME Grant** – represents nonspendable amounts classified as notes receivable.
- **Special Projects** – represents nonspendable amounts classified as prepaid items.
- **Block Grant** – represents nonspendable amounts classified as notes receivable.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**8. NET POSITION/FUND BALANCES, Continued**

**Nonspendable, Continued**

- **Housing** – represents amounts restricted for the City’s HOME revolving loan program and CDBG housing activities as these programs are supported by specific grants requiring the restriction.

**Restricted**

- **General Fund** – represents amounts restricted for debt covenant and contract.
- **Gas Tax** – represents amounts restricted for street purposes by the California Streets and Highways Code.
- **Maintenance District** – represents amounts restricted for use on the Maintenance District.
- **Block Grant** – represents amounts restricted for special purposes per grant directive.
- **Housing** – represents amounts restricted for the City’s HOME revolving loan program and CDBG housing activities as these programs are supported by specific grants requiring the restriction.
- **Elizabeth Daniels** – represents amounts restricted for a special purpose.
- **Animal Shelter** – represents amounts restricted for a special purpose.

**Fund Balance Deficits**

Deficit fund balances consisted of the following:

<b>Major Funds:</b>	
Capital Projects	\$ (2,432,372)
<b>Nonmajor Special Revenue Funds:</b>	
EPA Brownfield	(22,224)
Block Grant Funds	(1,639)

The above deficit fund balances have occurred due to the spending of funds prior to the receipt of revenues (cost reimbursements). The Fund balances will be restored in the near future as revenues are received.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**8. NET POSITION/FUND BALANCES, Continued**

**Excess of Expenditures and Transfers over Appropriations:**

Expenditures and transfers exceeded appropriations for the year ended June 30, 2019, for the following funds:

<u>Fund</u>	<u>Final Appropriations</u>	<u>Expenditures and Transfers</u>	<u>Excess</u>
<u>Major Funds</u>			
General Fund	\$ 13,747,613	\$ 15,605,795	\$ (1,858,182)
<u>Nonmajor Funds</u>			
<u>Special Revenue Funds:</u>			
Traffic Safety	162,000	204,747	(42,747)
Downtown Assessment	62,254	65,400	(3,146)
EPA Brownfield*	-	159,591	(159,591)
Morgan Ranch Improvement District	20,132	23,969	(3,837)
CDBG Revolving*	10,000	10,717	(717)

\* Indicates Fund is not budgeted

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**9. INTERFUND TRANSACTIONS**

Due to and from balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Due to and due from other funds consisted of the following as of June 30, 2019:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<b><u>Governmental Funds</u></b>		
<b>Major Funds:</b>		
General Fund	\$ 2,043,917	\$ -
Capital Projects Fund		1,926,453
Total Major Funds	<u>2,043,917</u>	<u>1,926,453</u>
<b>Non-major Funds:</b>		
EPA Brownfield		117,464
Total Non-major Funds	<u>-</u>	<u>117,464</u>
<b>Total Governmental Funds</b>	<u>2,043,917</u>	<u>2,043,917</u>
<b>Total</b>	<u><u>\$ 2,043,917</u></u>	<u><u>\$ 2,043,917</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**9. INTERFUND TRANSACTIONS, Continued**

Transfers consisted of the following at June 30, 2019:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b><u>Governmental Funds</u></b>		
<b>Major Funds:</b>		
General fund	\$ 3,000	\$ 452,272
Capital projects	1,581,138	192,188
Special projects	-	202,057
Total major funds	<u>1,584,138</u>	<u>846,517</u>
<b>Non-major Funds:</b>		
Special Revenue Funds		
Gas tax	-	299,184
Traffic safety	100,000	-
Impact fees	-	360,166
Block grant funds	45,254	12,299
Housing funds	270,598	303,553
Total non-major funds Special Revenue Funds	<u>415,852</u>	<u>975,202</u>
Total Governmental Funds	<u>1,999,990</u>	<u>1,821,719</u>
<b><u>Proprietary Funds</u></b>		
<b>Major Enterprise Funds:</b>		
Water	92,188	126,372
Sewer	100,000	244,087
Total Proprietary Funds	<u>192,188</u>	<u>370,459</u>
Total Transfers	<u>\$ 2,192,178</u>	<u>\$ 2,192,178</u>

Transfers are indicative of funding for capital projects, lease payments or debt service, reimbursement of various City operations and re-allocations of special revenues.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**10. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities to participate in the Public Agency Risk Sharing Authority of California (PARSAC) for general liability, auto liability, and errors and omissions purposes. PARSAC is a public entity risk pool which serves as a common risk management and insurance program for 37 member cities. The City pays an annual premium to PARSAC for its insurance coverage. The agreements with PARSAC provide that they will be self sustaining through member premiums and will reinsure through commercial companies for excess coverage.

The City continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years. There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

<u>Program &amp; Coverage Limits</u>	<u>Coverage Provider</u>	<u>Payment Source</u>
General & Auto Liability Claims: \$975,000 per occurrence excess of Member's \$25,000 retention	PARSAC	City Funds
Workers' Compensation Claims: \$475,000 excess of Member's \$25,000 retention	PARSAC	City Funds
All-Risk Property Insurance Claims: \$1,000,000,000 per occurrence, \$5,000 deductible	Various Providers	City Funds

**11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

***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 fire) 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.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

**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 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<b>Miscellaneous</b>	<b>Safety - Police</b>
	Prior to	Prior to
	January 1, 2013	January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	3% @ 50
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	3.00%
Required employee contribution rates	8%	9%
Required employer contribution rates	9.67%	18.524%
	<b>PEPRA</b>	
	<b>Miscellaneous</b>	<b>Tier 2 Safety - Police</b>
	On or after	Prior to
	January 1, 2013	January 1, 2013
Hire date		
Benefit formula	2% @ 62	3% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	52 - 67	50
Monthly benefits, as a % of eligible compensation	1.0% to 2.5%	3.00%
Required employee contribution rates	6.250%	9%
Required employer contribution rates	6.237%	16.523%

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

Plan provisions, Continued

	<u>Fire Safety</u>	<u>PEPRA - Fire Safety</u>
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9%	11.50%
Required employer contribution rates	16.523%	11.153%
	<u>PEPRA - Police</u>	
	<u>Safety</u>	
	On or after	
Hire date	January 1, 2013	
Benefit formula	2.7% @ 57	
Benefit vesting schedule	5 years service	
Benefit payments	monthly for life	
Retirement age	50 - 57	
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	
Required employee contribution rates	11.50%	
Required employer contribution rates	11.530%	

**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.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety - Police</u>
Contributions - employer	\$ 814,931	\$ 1,035,238

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

As of June 30, 2019, 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>
Miscellaneous	\$ 10,085,168
Safety - Police	8,880,045
Total Net Pension Liability	<u>\$ 18,965,213</u>

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, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2018 and 2019 was as follows:

	<u>Miscellaneous</u>	<u>Safety - Police</u>
Proportion - June 30, 2018	0.25883%	0.14705%
Proportion - June 30, 2019	0.26760%	0.15134%
Change - Increase (Decrease)	0.00877%	0.00429%

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

For the year ended June 30, 2019, the City recognized pension expense of \$2,783,155. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Changes of Assumptions	\$ 2,021,026	\$ 399,332
Differences between Expected and Actual Experience	577,752	132,401
Differences between Projected and Actual Investment Earnings	109,981	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	659,399
Change in Employer's Proportion	354,736	250,459
Pension Contributions Made Subsequent to Measurement Date	1,850,169	-
Total	\$ 4,913,664	\$ 1,441,591

\$1,850,169 reported as deferred outflows of resources related to contributions subsequent to the measurement date and changes in proportions of contributions that will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended 30-Jun	Miscellaneous	Safety	Total
2020	\$ 702,965	\$ 861,603	\$ 1,564,568
2021	321,963	517,811	839,774
2022	(428,621)	(201,598)	(630,219)
2023	(90,710)	(61,508)	(152,218)
2024	-	-	-
Thereafter	-	-	-
	505,597	1,116,308	\$ 1,621,905

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

*Actuarial Assumptions* - The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Assumptions	
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Salary increases	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funs
Post-retirement benefit increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.

The underlying mortality 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, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the 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. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), 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 PERF 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 equal 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. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Year 11+ <sup>2</sup>
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.55%	-90.00%

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

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

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, 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:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability as of			
June 30, 2018			
Miscellaneous	\$ 14,888,455	\$ 10,085,168	\$ 6,120,132
Safety - Police	13,881,247	8,880,045	4,782,456
Total	<u>\$ 28,769,702</u>	<u>\$ 18,965,213</u>	<u>\$ 10,902,588</u>

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

**12. OTHER POST EMPLOYMENT BENEFITS**

***Plan Description***

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

The City also provides additional benefits to long-service retirees who meet other age and/or service requirements. An employee cannot terminate service with the City before meeting the age condition and be entitled to receive benefits.

***Funding Policy***

The Minimum Employer Contribution, subject to adjustments per AB2544, is paid on behalf of eligible retirees by the City in accordance with PEMHCA requirements. Additionally, if an employee meets certain age and service conditions and until such time as the employee is eligible for Medicare or is hired and has healthcare coverage available from new employment, the City will contribution an amount (varying between \$250 and \$500, depending upon the individual’s bargaining unit, date of hire and date of retirement) towards the cost of retiree medical coverage. The benefit amount is fixed for each employee at the date of his or her retirement. Different benefit amounts are payable to employees who retired prior to July 1, 2006.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**12. OTHER POST EMPLOYMENT BENEFITS, Continued**

*Employees Covered by benefit terms*

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees Receiving Benefits	44
Inactive Employees Entitled to But Not Receiving Benefits	13
Participating Active Employees	82
<b>Total Number of participants</b>	<b>139</b>

*Net OPEB Liability*

The City’s net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018 based on the following actuarial methods and assumptions:

<b>Actuarial Assumptions:</b>	
Discount Rate	2.79% as of June 30, 2019 2.92% as of June 30, 2018
Inflation	2.75%
Salary Increases	3.25% per annum
Mortality Rate	MacLeod Watts Scale 2017 applied generationally from 2008
Pre-Retirement Turnover <sup>(1)</sup>	Derived using CalPERS' Membership Data for all funds
Healthcare Trend Rate	7.50% in 2019 decreasing to 5.00% in 2024 and later

<sup>(1)</sup> The pre-retirement turnover information was developed based on CalPERS’ specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

*Discount Rate*

The discount rate used to measure the total OPEB liability was 2.79 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**12. OTHER POST EMPLOYMENT BENEFITS, Continued**

*Changes in the OPEB Liability*

The changes in the net OPEB liability for the Plan are as follows:

	<b>Total OPEB Liability</b>	<b>Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance at 6/30/2018*	\$ 6,598,296	\$ -	\$ 6,598,296
Changes for the year			
Service Cost	412,855	-	412,855
Interest Cost	202,213	-	202,213
Expected Investment Income	-	-	-
Employer Contributions	-	172,147	(172,147)
Changes of benefit terms	-	-	-
Benefit payments	(172,147)	(172,147)	-
Assumption changes	129,461	-	129,461
Plan experience	-	-	-
Recognized deferred resources	-	-	-
Employer contributions in fiscal year	-	-	-
Net Changes	572,382	-	572,382
Balance at 6/30/2019*	\$ 7,170,678	\$ -	\$ 7,170,678

\*May include a slight rounding error

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The discount rate used for the fiscal year end 2019 is 2.79%. The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease	Current Rate	1% Increase
Change in Discount Rate	1.79%	2.79%	3.79%
Net OPEB Liability	\$ 8,291,375	\$ 7,170,678	\$ 6,257,122

*Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates*

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease	Current Trend	1% Increase
Change in Healthcare Cost Trend Rate			
Net OPEB Liability	\$ 6,102,842	\$ 7,170,678	\$ 8,536,135

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**12. OTHER POST EMPLOYMENT BENEFITS, Continued**

***Recognition of Deferred Outflows and Deferred Inflows of Resources***

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.0 Years at June 30, 2017)

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$653,113. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 259,266	-
Total	<u>\$ 259,266</u>	<u>\$ -</u>

Future recognition of these deferred resources is shown below.

Fiscal Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2020	\$ 38,045
2021	38,045
2022	38,045
2023	38,045
2024	38,045
Thereafter	69,042

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Grass Valley that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On February 1, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City included in the fund financial statements as Former Redevelopment Agency Special Revenue Fund and Low/Moderate Income Housing Fund.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012, (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012, was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

**Loans receivable**

The Agency has made loans to qualifying participants within the City of Grass Valley to provide housing to low and moderate income participants and to provide assistance to entities within the redevelopment area.

At June 30, 2019, loans receivable consisted of the following:

	Beginning July 1, 2018	Additions	Deletions	Ending June 30, 2019
<b>Redevelopment Housing:</b>				
Springhill Garden Apts	\$ 709,000	\$ 18,000	\$ (5,000)	\$ 722,000
Valley Commons	264,850	7,447	(5,000)	267,297
<b>Redevelopment Projects (Non-Housing):</b>				
Center for the Arts	27,610	-	(10,000)	17,610
<b>Total loans receivable</b>	<b>\$ 1,001,460</b>	<b>\$ 25,447</b>	<b>\$ (20,000)</b>	<b>\$ 1,006,907</b>

**Redevelopment Housing:**

On October 1, 2008, The City of Grass Valley Redevelopment Agency entered into an agreement with Springhill Gardens Associates, L.P to provide a \$600,000 loan for the development of Springhill Garden Apartments. The loan bears an interest rate of 3% and is payable in annual installments commencing in 2011 until January 15, 2040.

Valley Commons loan dated March 10, 2011, payable in annual installments commencing in 2017, with an interest rate of 3% and maturity in 30 years.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

**Redevelopment Projects**

Center for the Arts loan dated January 14, 2011, payable in annual installments commencing September 1, 2011, with an interest rate of 2% and maturity on September 1, 2016.

**Long-term Liabilities**

The Agency generally incurs debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The Agency's debt issue and transactions related to governmental activities are summarized below and discussed in detail subsequently.

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Due within one year
2002 ABAG Lease Revenue Bonds	\$ 680,000	\$ -	\$ (70,000)	\$ 610,000	\$ 75,000
2014 Tax Allocation Refunding Bonds	5,340,000	-	(190,000)	5,150,000	190,000
2010 Tax Allocation Bonds	2,860,000		(65,000)	2,795,000	70,000
Less: Discount	(140,490)	-	7,661	(132,829)	(7,661)
Total governmental activities	<u>\$ 8,739,510</u>	<u>\$ -</u>	<u>\$ (317,339)</u>	<u>\$ 8,422,171</u>	<u>\$ 327,339</u>

**Association of Bay Area Governments Lease Revenue Bonds**, issued on January 1, 2002, in the amount of \$1,470,000 and payable in annual installments of \$35,000 to \$100,000, with an interest rate of 3.00% to 5.00% and maturity on December 1, 2025. The bonds were used to advance refund the 1995 tax allocation bonds used to purchase Grass Valley Memorial Park and Police Facilities.

**2014 Tax Allocation Refunding Bonds** was issued on December 1, 2014 in the amount of \$6,005,000. The 2014 bonds bear interest rates in the range of 2.00% to 4.375% per annum and interest is payable semiannually on June 1 and December 1, commencing on June 1, 2017. Principal is payable in annual installments starting from December 1, 2017 in amounts ranging from \$150,000 to \$605,000. The bonds will mature on December 1, 2038. The bonds were used to defease the outstanding 2008 Tax Allocation Bonds.

**2010 Tax Allocation Bonds**, issued on April 14, 2010, in the amount of \$3,170,000 and payable in annual installments of \$60,000 to \$300,000, with an interest rate of 3.00% to 5.25% and maturity on December 1, 2034. The bonds were used to refund the 2000 Tax Allocation Bonds.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

Future debt service for Fiduciary Activities at June 30, 2019, is as follows:

June 30,	2002 ABAG Lease Revenue Bonds		2014 Tax Allocation Refunding Bonds		
	Principal	Interest	Principal	Discount	Interest
2020	75,000	25,625	190,000	(3,416)	230,238
2021	80,000	24,750	200,000	(3,416)	224,388
2022	85,000	20,625	205,000	(3,416)	218,313
2023	85,000	16,375	210,000	(3,416)	211,956
2024	90,000	12,000	215,000	(3,416)	205,047
2025-2029	195,000	9,875	860,000	(17,080)	911,850
2030-2034	-	-	825,000	(17,080)	733,156
2035-2039	-	-	2,445,000	(13,654)	358,109
2040-2044	-	-	-	-	-
	<u>\$ 610,000</u>	<u>\$ 109,250</u>	<u>\$ 5,150,000</u>	<u>\$ (64,894)</u>	<u>\$ 3,093,057</u>
Due within one year	\$ 75,000	\$ 25,625	\$ 190,000	\$ (3,416)	\$ 230,238
Due after one year	535,000	83,625	4,960,000	(61,478)	2,862,819
	<u>\$ 610,000</u>	<u>\$ 109,250</u>	<u>\$ 5,150,000</u>	<u>\$ (64,894)</u>	<u>\$ 3,093,057</u>

June 30,	2010 Tax Allocation Bonds			Totals		
	Principal	Discount	Interest	Principal	Discount	Interest
2020	70,000	(4,245)	138,844	\$ 335,000	(7,661)	\$ 394,707
2021	70,000	(4,246)	135,867	350,000	(7,662)	385,005
2022	75,000	(4,246)	132,650	365,000	(7,662)	371,588
2023	80,000	(4,246)	129,063	375,000	(7,662)	357,394
2024	80,000	(4,246)	125,263	385,000	(7,662)	342,310
2025-2029	820,000	(21,230)	536,306	1,875,000	(38,310)	1,458,031
2030-2034	1,300,000	(21,230)	255,250	2,125,000	(38,310)	988,406
2035-2039	300,000	(4,246)	7,875	2,745,000	(17,900)	365,984
2040-2044	-	-	-	-	-	-
	<u>\$ 2,795,000</u>	<u>\$ (67,935)</u>	<u>\$ 1,461,118</u>	<u>\$ 8,555,000</u>	<u>\$ (132,829)</u>	<u>\$ 4,663,425</u>
Due within one year	\$ 70,000	\$ (4,245)	\$ 138,844	\$ 335,000	\$ (7,661)	\$ 394,707
Due after one year	2,725,000	(63,690)	1,322,274	8,220,000	(125,168)	4,268,718
Total	<u>\$ 2,795,000</u>	<u>\$ (67,935)</u>	<u>\$ 1,461,118</u>	<u>8,555,000</u>	<u>(132,829)</u>	<u>\$ 4,663,425</u>
				<u>(132,829)</u>		
				<u>\$ 8,422,171</u>		

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**14. COMMITMENTS AND CONTINGENCIES**

*Litigation*

The City is involved in litigation incurred in the normal course of conducting City business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

*Grants and Allocations*

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

*Commitments*

The City had no significant unexpended contractual commitments as of June 30, 2019.

**15. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued Statement No. 83, "*Certain Asset Retirement Obligations.*" The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This statement had no effect on these financial statements.

The GASB has issued Statement No. 84, "*Fiduciary Activities.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2020.

The GASB has issued Statement No. 87, "*Leases.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

**City of Grass Valley, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2019**

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**15. NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED**

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2021.

The GASB has issued Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.*" The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement had no effect on these financial statements.

The GASB has issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2021.

The GASB has issued Statement No. 90, "*Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2020.

The GASB has issued Statement No. 91, "*Conduit Debt Obligations.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

## City of Grass Valley, California

### Required Supplementary Information - Schedule of Changes in the Net OPEB Liability and Related Ratios for the Measurement Periods Ended June 30,

	2019	2018
<b>Total OPEB Liability</b>		
Service Cost	\$ 412,855	\$ 381,204
Interest on the total OPEB liability	202,213	197,059
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Benefit payments	(172,147)	(170,170)
Changes in assumptions	129,461	190,502
<b>Net change in total OPEB liability</b>	<u>572,382</u>	<u>598,595</u>
<b>Total OPEB liability - beginning</b>	<u>6,598,296</u>	<u>5,999,700</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 7,170,678</u></u>	<u><u>\$ 6,598,295</u></u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 172,147	\$ 170,170
Net investment income	-	-
Benefit payments	172,147	(170,170)
<b>Net change in plan fiduciary net position</b>	<u>344,294</u>	<u>-</u>
<b>Plan fiduciary net position - beginning</b>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Net OPEB liability - ending (a) - (b)</b>	<u><u>\$ 7,170,678</u></u>	<u><u>\$ 6,598,295</u></u>
Covered payroll	\$ 7,095,244	\$ 6,726,880
Net OPEB liability as a percentage of covered-employee payroll	101.06%	98.09%

#### Notes to Schedule

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. More years will be presented in the future

## City of Grass Valley, California

### Required Supplementary Information - Net OPEB Liability Schedule of Contributions

June 30, 2019

Fiscal Year Ended June 30,	2019	2018
Actuarially Determined Contribution (ADC)	\$ 172,147	\$ 170,170
Contributions in relation to the ADC	172,147	170,170
Contribution deficiency ( excess)	\$ -	\$ -
Covered payroll	7,095,244	6,726,880
Contributions as a percentage of covered payroll	2.43%	2.53%

#### Notes to Schedule

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. More years will be presented in the future.

**City of Grass Valley, California**  
**Required Supplementary Information - Schedule of Contributions**  
**Miscellaneous Plan**

Last 10 Fiscal Years\*

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 814,931	\$ 632,072	\$ 606,756
Contributions in relation to the actuarially determined contributions	<u>(814,931)</u>	<u>(632,072)</u>	<u>(606,756)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,711,644	\$ 2,773,466	\$ 2,845,140
Contribution as a percentage of covered-employee payroll	30.05%	22.79%	21.33%

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Due to a change in CalPERS reporting information, only 2016 was available. Additional years will be presented as they become available.

**City of Grass Valley, California**  
**Required Supplementary Information - Schedule of Contributions**  
**Safety Plan**

Last 10 Fiscal Years\*

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 1,035,238	\$ 910,702	\$ 821,329
Contributions in relation to the actuarially determined contributions	<u>(1,035,238)</u>	<u>(910,702)</u>	<u>(821,329)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,240,879	\$ 2,902,953	\$ 2,575,241
Contribution as a percentage of covered-employee payroll	31.94%	31.37%	31.89%

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Due to a change in CalPERS reporting information, only 2016 was available. Additional years will be presented as they become available.

**City of Grass Valley, California**  
**Required Supplementary Information - Schedule of the City's Proportionate**  
**Share of the Net Pension Liability**  
**Miscellaneous Plan**

Last 10 Fiscal Years\*

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Plan's Proportion of the Net Pension Liability/(Asset)	0.26760%	0.25883%	0.25637%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 10,085,168	\$ 10,203,070	\$ 8,905,897
Plan's Covered-Employee Payroll	\$ 2,711,644	\$ 2,773,466	\$ 2,845,140
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	371.92%	367.88%	313.02%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	71.60%	70.80%	72.46%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 968,405	\$ 935,959	\$ 872,750

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Due to a change in CalPERS reporting information, only 2016 was available. Additional years will be presented as they become available.

**City of Grass Valley, California**  
**Required Supplementary Information - Schedule of the City's Proportionate**  
**Share of the Net Pension Liability**  
**Safety - Police**

Last 10 Fiscal Years\*

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Plan's Proportion of the Net Pension Liability/(Asset)	0.15134%	0.14705%	0.14610%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 8,880,045	\$ 8,786,698	\$ 7,567,090
Plan's Covered-Employee Payroll	\$ 3,240,879	\$ 2,902,953	\$ 2,575,241
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	274.00%	302.68%	293.84%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.52%	73.59%	74.20%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 1,155,840	\$ 845,039	\$ 752,078

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* - Due to a change in CalPERS reporting information, only 2016 was available. Additional years will be presented as they become available.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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## NON-MAJOR GOVERNMENTAL FUNDS

Fund Type	Description
Special Revenue	These funds account specific revenues that are legally or otherwise restricted to expenditures for particular purposes.
Permanent	These funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support the City's programs.

**City of Grass Valley, California**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Governmental Funds		Non-Major Funds Totals
	Special Revenue Funds	Permanent Funds	
<b>ASSETS</b>			
Cash and investments	\$ 4,923,937	\$ 129,942	\$ 5,053,879
Receivables:			
Taxes	3,327	-	3,327
Intergovernmental	161,029	-	161,029
Loans/Notes receivable	5,472,434	-	5,472,434
<b>Total assets</b>	<u>\$ 10,560,727</u>	<u>\$ 129,942</u>	<u>\$ 10,690,669</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 82,770	\$ -	\$ 82,770
Due to other funds	117,464	-	117,464
<b>Total liabilities</b>	<u>200,234</u>	<u>-</u>	<u>200,234</u>
<b>Fund Balances:</b>			
Nonspendable	5,544,005	-	5,544,005
Restricted	1,708,805	120,233	1,829,038
Assigned	3,131,546	9,709	3,141,255
Unassigned (deficit)	(23,863)	-	(23,863)
<b>Total fund balances</b>	<u>10,360,493</u>	<u>129,942</u>	<u>10,490,435</u>
<b>Total liabilities and fund balances</b>	<u>\$ 10,560,727</u>	<u>\$ 129,942</u>	<u>\$ 10,690,669</u>

**City of Grass Valley, California**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Governmental Funds**

**For the year ended June 30, 2019**

	Governmental Funds		Non-Major Funds Totals
	Special Revenue Funds	Permanent Funds	
<b>REVENUES:</b>			
Taxes and assessments	\$ 479,140	\$ -	\$ 479,140
Fines and forfeitures	39,637	-	39,637
Intergovernmental	791,102	-	791,102
Use of money and property	232,122	3,850	235,972
Charges for services	33,450	-	33,450
Other revenues	34,480	-	34,480
<b>Total revenues</b>	<b>1,609,931</b>	<b>3,850</b>	<b>1,613,781</b>
<b>EXPENDITURES:</b>			
Current:			
General government	159,591	-	159,591
Public safety	245,592	-	245,592
Public ways and facilities	69,941	-	69,941
Community development	87,539	-	87,539
<b>Total expenditures</b>	<b>591,763</b>	<b>-</b>	<b>591,763</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,018,168</b>	<b>3,850</b>	<b>1,022,018</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	415,852	-	415,852
Transfers out	(975,202)	-	(975,202)
<b>Total other financing sources (uses)</b>	<b>(559,350)</b>	<b>-</b>	<b>(559,350)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>458,818</b>	<b>3,850</b>	<b>462,668</b>
<b>FUND BALANCES:</b>			
Beginning of year	9,901,675	126,092	10,027,767
End of year	\$ 10,360,493	\$ 129,942	\$ 10,490,435

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## NON-MAJOR SPECIAL REVENUE FUNDS

<b>Fund</b>	<b>Description</b>
Gas Tax Funds	Accounts for funds received and expended for street maintenance purposes as defined in Sections 2105, 2106, 2107, and 2107.5 of the Streets and Highway Code.
Traffic Safety	Accounts for revenue received for the City's programs associated with the maintenance of equipment and supplies for traffic law enforcement and traffic accident prevention.
DUI Grant	Accounts for revenues received for the State DUI grant related to prevention programs.
SB325	Accounts for funds received and expended for transportation purposes as a result of Senate Bill 325.
Developer Fees	Accounts for funds received as a result of development impact on City infrastructure and systems.
Downtown Assessment	Accounts for funds received to be utilized in the beautification and maintenance of the Downtown Assessment area.
Fire Reserve	Accounts for funds received related to fire equipment maintenance and replacement.
Parks and Recreation	Accounts for fees collected for parks and recreation programs.
EPA Brownfield	Accounts for funds received and expended on an approved project.

(continued)

## NON-MAJOR SPECIAL REVENUE FUNDS, Continued

Fund	Description
Maintenance District Funds:	Accounts for revenues and expenditures associated with the repairs and maintenance of landscaping, lighting and infrastructure within the District boundaries.
Whispering Pines Improvement District - Landscape and Lighting	
Litton - Landscape and Lighting	
Morgan Ranch Improvement District - Landscape and Lighting	
Morgan Ranch Assessment District 2003-1 1	
Morgan Ranch West Landscape and Lighting No 1988-2 Annex	
Ventana Sierra	
Scotia Pines	
Block Grant Funds:	Accounts for revenues and expenditures associated with block grant programs.
CDBG	
CDBG Revolving	
Revolving Loan	
04-STBG 1960	
86-STBG 217	
91-STBG 467	
95-STBG 897	
97-STBG 1118	
99-STBG 1362	
H-RLF Woodstove	
CDBG Doris Dr	
CDBG Housing	
Housing Funds:	Accounts for revenues and expenditures associated with HOME grant programs.
HOME Grant	
09-HOME 6272	
99-HOME 0369	
Housing Rehabilitation	
00-HOME 0461	

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**City of Grass Valley, California**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2019**

ASSETS	Gas Tax	Traffic Safety	DUI Grant
Cash and investments	\$ 1,221,136	\$ 28,193	\$ 6,731
Receivables:			
Taxes	-	-	-
Intergovernmental	42,681	1,954	-
Loans/Notes receivable	-	-	-
<b>Total assets</b>	<b>\$ 1,263,817</b>	<b>\$ 30,147</b>	<b>\$ 6,731</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 12,364	\$ -
Due to other funds	-	-	-
Due to other governments	-	-	-
Deferred revenue	-	-	-
Compensated absences	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>12,364</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable	-	-	-
Restricted	1,263,817	-	-
Committed	-	-	-
Assigned	-	17,783	6,731
Unassigned (deficit)	-	-	-
<b>Total fund balances</b>	<b>1,263,817</b>	<b>17,783</b>	<b>6,731</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,263,817</b>	<b>\$ 30,147</b>	<b>\$ 6,731</b>

Impact Fees	Downtown Assessment	Fire Reserve	EPA Brownfield
\$ 3,019,031	\$ 27,563	\$ 101,423	\$ -
-	0	-	-
-	-	-	116,394
-	-	-	-
<u>\$ 3,019,031</u>	<u>\$ 27,563</u>	<u>\$ 101,423</u>	<u>\$ 116,394</u>

\$ 13,703	\$ 25,000	2,282	\$ 21,154
-	-	-	117,464
-	-	-	-
-	-	-	-
-	-	-	-
<u>13,703</u>	<u>25,000</u>	<u>2,282</u>	<u>138,618</u>
-	-	-	-
-	-	-	-
-	-	-	-
3,005,328	2,563	99,141	-
-	-	-	(22,224)
<u>3,005,328</u>	<u>2,563</u>	<u>99,141</u>	<u>(22,224)</u>
<u>\$ 3,019,031</u>	<u>\$ 27,563</u>	<u>\$ 101,423</u>	<u>\$ 116,394</u>

(continued)

**City of Grass Valley, California**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds, continued**  
**June 30, 2019**

	Maintenance District Funds	Block Grant Funds	Housing Funds	Totals
<b>ASSETS</b>				
Cash and investments	\$ 125,561	\$ 130,808	\$ 263,491	\$ 4,923,937
Receivables:				
Taxes	3,327	-	-	3,327
Intergovernmental	-	-	-	161,029
Loans/Notes receivable	-	1,464,040	4,008,394	5,472,434
<b>Total assets</b>	<b>\$ 128,888</b>	<b>\$ 1,594,848</b>	<b>\$ 4,271,885</b>	<b>\$ 10,560,727</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 7,222	\$ -	\$ 1,045	\$ 82,770
Due to other funds	-	-	-	117,464
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
Compensated absences	-	-	-	-
<b>Total liabilities</b>	<b>7,222</b>	<b>-</b>	<b>1,045</b>	<b>200,234</b>
<b>Fund Balances:</b>				
Nonspendable	-	1,535,611	4,008,394	5,544,005
Restricted	121,666	60,876	262,446	1,708,805
Committed	-	-	-	-
Assigned	-	-	-	3,131,546
Unassigned (deficit)	-	(1,639)	-	(23,863)
<b>Total fund balances</b>	<b>121,666</b>	<b>1,594,848</b>	<b>4,270,840</b>	<b>10,360,493</b>
<b>Total liabilities and fund balances</b>	<b>\$ 128,888</b>	<b>\$ 1,594,848</b>	<b>\$ 4,271,885</b>	<b>\$ 10,560,727</b>

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**City of Grass Valley, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the year ended June 30, 2019**

	Gas Tax	Traffic Safety	DUI Grant
<b>REVENUES:</b>			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeitures	-	39,637	-
Intergovernmental	580,770	-	1
Use of money and property	31,719	1,275	-
Charges for services	-	-	-
Reimbursements	-	-	-
Other revenues	-	25,010	-
<b>Total revenues</b>	<u>612,489</u>	<u>65,922</u>	<u>1</u>
<b>EXPENDITURES:</b>			
Current:			
General government	-	-	-
Public safety	-	204,747	-
Public ways and facilities	-	-	-
Community development	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>204,747</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>612,489</u>	<u>(138,825)</u>	<u>1</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	100,000	-
Transfers out	(299,184)	-	-
<b>Total other financing sources and uses</b>	<u>(299,184)</u>	<u>100,000</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>313,305</u>	<u>(38,825)</u>	<u>1</u>
<b>FUND BALANCES (DEFICITS):</b>			
Beginning of year	950,512	56,608	6,730
End of year	<u>\$ 1,263,817</u>	<u>\$ 17,783</u>	<u>\$ 6,731</u>

Impact Fees	Downtown Assessment	Fire Reserve	EPA Brownfield
\$ 350,207	\$ 63,147	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	40,692	169,639
86,186	422	2,521	-
33,450	-	-	-
-	-	-	-
-	-	9,470	-
<u>469,843</u>	<u>63,569</u>	<u>52,683</u>	<u>169,639</u>
-	-	-	159,591
-	-	40,845	-
-	-	-	-
-	65,400	-	-
-	-	-	29,100
<u>-</u>	<u>65,400</u>	<u>40,845</u>	<u>188,691</u>
<u>469,843</u>	<u>(1,831)</u>	<u>11,838</u>	<u>(19,052)</u>
-	-	0	-
<u>(360,166)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(360,166)	-	-	-
109,677	(1,831)	11,838	(19,052)
<u>2,895,651</u>	<u>4,394</u>	<u>87,303</u>	<u>(3,172)</u>
<u>\$ 3,005,328</u>	<u>\$ 2,563</u>	<u>\$ 99,141</u>	<u>\$ (22,224)</u>

(continued)

**City of Grass Valley, California**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Special Revenue Funds, continued**

**For the year ended June 30, 2019**

	Maintenance District Funds	Block Grant Funds	Housing Funds	Totals
<b>REVENUES:</b>				
Taxes and assessments	\$ 65,786	\$ -	\$ -	\$ 479,140
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	39,637
Intergovernmental	-	-	-	791,102
Use of money and property	3,692	17,588	88,719	232,122
Charges for services	-	-	-	33,450
Reimbursements	-	-	-	-
Other revenues	-	-	-	34,480
<b>Total revenues</b>	<b>69,478</b>	<b>17,588</b>	<b>88,719</b>	<b>1,609,931</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	159,591
Public safety	-	-	-	245,592
Public ways and facilities	69,941	-	-	69,941
Community development	-	11,458	10,681	87,539
Capital outlay	-	-	-	29,100
<b>Total expenditures</b>	<b>69,941</b>	<b>11,458</b>	<b>10,681</b>	<b>591,763</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(463)</b>	<b>6,130</b>	<b>78,038</b>	<b>1,018,168</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	45,254	270,598	415,852
Transfers out	-	(12,299)	(303,553)	(975,202)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>32,955</b>	<b>(32,955)</b>	<b>(559,350)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>(463)</b>	<b>39,085</b>	<b>45,083</b>	<b>458,818</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	122,129	1,555,763	4,225,757	9,901,675
End of year	<b>\$ 121,666</b>	<b>\$ 1,594,848</b>	<b>\$ 4,270,840</b>	<b>\$ 10,360,493</b>

(concluded)

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Gas Tax Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,286,380	\$ 1,286,380	\$ 580,770	\$ (705,610)
Use of money and property	5,000	5,000	31,719	26,719
<b>Total revenues</b>	<u>1,291,380</u>	<u>1,291,380</u>	<u>612,489</u>	<u>(678,891)</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,291,380</u>	<u>1,291,380</u>	<u>612,489</u>	<u>(678,891)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(1,888,909)</u>	<u>(1,888,909)</u>	<u>(299,184)</u>	<u>1,589,725</u>
<b>Total other financing sources (uses)</b>	<u>(1,888,909)</u>	<u>(1,888,909)</u>	<u>(299,184)</u>	<u>1,589,725</u>
<b>Net change in fund balances</b>	<u>(597,529)</u>	<u>(597,529)</u>	<u>313,305</u>	<u>910,834</u>
<b>FUND BALANCES:</b>				
Beginning of year	<u>950,512</u>	<u>950,512</u>	<u>950,512</u>	<u>-</u>
End of year	<u>\$ 352,983</u>	<u>\$ 352,983</u>	<u>\$ 1,263,817</u>	<u>\$ 910,834</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Traffic Safety Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 39,637	\$ (10,363)
Use of money and property	-	-	1,275	1,275
<b>Total revenues</b>	<u>50,000</u>	<u>50,000</u>	<u>40,912</u>	<u>(9,088)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	162,000	162,000	204,747	(42,747)
<b>Total expenditures</b>	<u>162,000</u>	<u>162,000</u>	<u>204,747</u>	<u>(42,747)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(112,000)</u>	<u>(112,000)</u>	<u>(163,835)</u>	<u>(51,835)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	100,000	100,000	100,000	-
<b>Total other financing sources (uses)</b>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(12,000)</u>	<u>(12,000)</u>	<u>(63,835)</u>	<u>(51,835)</u>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	56,608	56,608	56,608	-
End of year	<u>\$ 44,608</u>	<u>\$ 44,608</u>	<u>\$ (7,227)</u>	<u>\$ (51,835)</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**DUI Grant Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 1	\$ 1
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>FUND BALANCES:</b>				
Beginning of year	6,730	6,730	6,730	-
End of year	<u>\$ 6,730</u>	<u>\$ 6,730</u>	<u>\$ 6,731</u>	<u>\$ 1</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Impact Fees Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 350,207	\$ 350,207
Use of money and property	15,000	15,000	86,186	71,186
<b>Total revenues</b>	<u>15,000</u>	<u>15,000</u>	<u>436,393</u>	<u>421,393</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Capital outlay	60,000	60,000	-	60,000
<b>Total expenditures</b>	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(45,000)</u>	<u>(45,000)</u>	<u>436,393</u>	<u>481,393</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	(1,427,112)	(1,427,112)	(360,166)	1,066,946
<b>Total other financing sources (uses)</b>	<u>(1,427,112)</u>	<u>(1,427,112)</u>	<u>(360,166)</u>	<u>1,066,946</u>
<b>Net change in fund balances</b>	<u>(1,472,112)</u>	<u>(1,472,112)</u>	<u>76,227</u>	<u>1,548,339</u>
<b>FUND BALANCES:</b>				
Beginning of year	2,895,651	2,895,651	2,895,651	-
End of year	<u>\$ 1,423,539</u>	<u>\$ 1,423,539</u>	<u>\$ 2,971,878</u>	<u>\$ 1,548,339</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Downtown Assessment Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 60,000	\$ 60,000	\$ 63,147	\$ 3,147
Use of money and property	-	-	422	422
<b>Total revenues</b>	<b>60,000</b>	<b>60,000</b>	<b>63,569</b>	<b>3,569</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	62,254	62,254	65,400	(3,146)
<b>Total expenditures</b>	<b>62,254</b>	<b>62,254</b>	<b>65,400</b>	<b>(3,146)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,254)</b>	<b>(2,254)</b>	<b>(1,831)</b>	<b>423</b>
<b>Net change in fund balances</b>	<b>(2,254)</b>	<b>(2,254)</b>	<b>(1,831)</b>	<b>423</b>
<b>FUND BALANCES:</b>				
Beginning of year	4,394	4,394	4,394	-
End of year	\$ 2,140	\$ 2,140	\$ 2,563	\$ 423

**City of Grass Valley, California**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**Fire Reserve Special Revenue Fund**  
**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 40,692	\$ 40,692
Use of money and property	75	75	2,521	2,446
<b>Total revenues</b>	<u>75</u>	<u>75</u>	<u>43,213</u>	<u>43,138</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	40,845	(40,845)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>40,845</u>	<u>(40,845)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>75</u>	<u>75</u>	<u>2,368</u>	<u>2,293</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in			0	
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>75</u>	<u>75</u>	<u>2,368</u>	<u>2,293</u>
<b>FUND BALANCES:</b>				
Beginning of year	87,303	87,303	87,303	-
End of year	<u>\$ 87,378</u>	<u>\$ 87,378</u>	<u>\$ 89,671</u>	<u>\$ 2,293</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**EPA Brownfield Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 169,639	\$ 169,639
Use of money and property	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>169,639</b>	<b>169,639</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	159,591	(159,591)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>159,591</b>	<b>(159,591)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>10,048</b>	<b>10,048</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>10,048</b>	<b>10,048</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	(3,172)	(3,172)	(3,172)	-
End of year	<u>\$ (3,172)</u>	<u>\$ (3,172)</u>	<u>\$ 6,876</u>	<u>\$ 10,048</u>

**City of Grass Valley, California**  
**Combining Balance Sheet**  
**Maintenance District Special Revenue Funds**  
**June 30, 2019**

	Whispering Pines <u>Landscape &amp; Lighting</u>	Litton <u>Landscape &amp; Lighting</u>	Morgan Ranch <u>Landscape &amp; Lighting</u>
<b>ASSETS</b>			
Cash and investments	\$ 33,444	\$ 20,897	\$ 5,302
Receivables:			
Taxes	1,171	270	1,169
<b>Total assets</b>	<u>\$ 34,615</u>	<u>\$ 21,167</u>	<u>\$ 6,471</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 688	\$ 142	\$ 527
Due to other funds			
Deposits payable			
Deferred revenue	-	-	-
Compensated absences	-	-	-
<b>Total liabilities</b>	<u>688</u>	<u>142</u>	<u>527</u>
<b>Fund Balances:</b>			
Restricted	<u>33,927</u>	<u>21,025</u>	<u>5,944</u>
<b>Total fund balances</b>	<u>33,927</u>	<u>21,025</u>	<u>5,944</u>
<b>Total liabilities and fund balances</b>	<u>\$ 34,615</u>	<u>\$ 21,167</u>	<u>\$ 6,471</u>

Morgan Ranch Assessment Dist 2003-1	Morgan Ranch West Assessment Dist 2010-1	Morgan Ranch West Landscape & Lighting 1988-2 Annex	Ventana Sierra	Scotia Pines	Totals
\$ 22,969	\$ 14,305	\$ 7,954	\$ 8,996	\$ 11,694	\$ 125,561
108	110	75	239	185	3,327
<u>\$ 23,077</u>	<u>\$ 14,415</u>	<u>\$ 8,029</u>	<u>\$ 9,235</u>	<u>\$ 11,879</u>	<u>\$ 128,888</u>
\$ 40	\$ 40	\$ 4	\$ 175	\$ 5,606	\$ 7,222
-	-	-	-	-	-
-	-	-	-	-	-
<u>40</u>	<u>40</u>	<u>4</u>	<u>175</u>	<u>5,606</u>	<u>7,222</u>
23,037	14,375	8,025	9,060	6,273	121,666
<u>23,037</u>	<u>14,375</u>	<u>8,025</u>	<u>9,060</u>	<u>6,273</u>	<u>121,666</u>
<u>\$ 23,077</u>	<u>\$ 14,415</u>	<u>\$ 8,029</u>	<u>\$ 9,235</u>	<u>\$ 11,879</u>	<u>\$ 128,888</u>

**City of Grass Valley, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Maintenance District Special Revenue Funds**  
**For the year ended June 30, 2019**

	Whispering Pines Landscape & Lighting	Litton Landscape & Lighting	Morgan Ranch Landscape & Lighting
<b>REVENUES:</b>			
Taxes and assessments	23,155	5,331	\$ 23,132
Licenses and permits			
Fines and forfeitures			
Intergovernmental			
Use of money and property	972	708	153
Charges for services	-	-	-
Reimbursements			
Other revenues	-	-	-
<b>Total revenues</b>	<u>24,127</u>	<u>6,039</u>	<u>23,285</u>
<b>EXPENDITURES:</b>			
Current:			
Public ways and facilities	22,097	8,753	23,969
<b>Total expenditures</b>	<u>22,097</u>	<u>8,753</u>	<u>23,969</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,030</u>	<u>(2,714)</u>	<u>(684)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>2,030</u>	<u>(2,714)</u>	<u>(684)</u>
<b>FUND BALANCES:</b>			
Beginning of year	31,897	23,739	6,628
End of year	<u>\$ 33,927</u>	<u>\$ 21,025</u>	<u>\$ 5,944</u>

Morgan Ranch Assessment Dist 2003-1	Morgan Ranch West Assessment Dist 2010-1	Morgan Ranch West Landscape & Lighting 1988-2 Annex	Ventana Sierra	Scotia Pines	Totals
\$ 2,128	\$ 2,175	\$ 1,478	4,732	\$ 3,655	\$ 65,786
					-
					-
649	390	213	261	346	3,692
-	-			-	-
-	-			-	-
<u>2,777</u>	<u>2,565</u>	<u>1,691</u>	<u>4,993</u>	<u>4,001</u>	<u>69,478</u>
499	500	312	4,688	9,123	69,941
<u>499</u>	<u>500</u>	<u>312</u>	<u>4,688</u>	<u>9,123</u>	<u>69,941</u>
<u>2,278</u>	<u>2,065</u>	<u>1,379</u>	<u>305</u>	<u>(5,122)</u>	<u>(463)</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
2,278	2,065	1,379	305	(5,122)	(463)
<u>20,759</u>	<u>12,310</u>	<u>6,646</u>	<u>8,755</u>	<u>11,395</u>	<u>122,129</u>
<u>\$ 23,037</u>	<u>\$ 14,375</u>	<u>\$ 8,025</u>	<u>\$ 9,060</u>	<u>\$ 6,273</u>	<u>\$ 121,666</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Whispering Pines Improvement District Landscape & Lighting Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 23,677	\$ 23,677	\$ 23,155	\$ (522)
Use of money and property	65	65	972	907
<b>Total revenues</b>	<u>23,742</u>	<u>23,742</u>	<u>24,127</u>	<u>385</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	33,677	33,677	22,097	11,580
<b>Total expenditures</b>	<u>33,677</u>	<u>33,677</u>	<u>22,097</u>	<u>11,580</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(9,935)</u>	<u>(9,935)</u>	<u>2,030</u>	<u>11,965</u>
<b>Net change in fund balances</b>	(9,935)	(9,935)	2,030	11,965
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	31,897	31,897	31,897	-
End of year	<u>\$ 21,962</u>	<u>\$ 21,962</u>	<u>\$ 33,927</u>	<u>\$ 11,965</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Litton Landscape & Lighting Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 5,330	\$ 5,330	\$ 5,331	\$ 1
Use of money and property	25	25	708	683
<b>Total revenues</b>	<u>5,355</u>	<u>5,355</u>	<u>6,039</u>	<u>684</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	23,630	23,630	8,753	14,877
<b>Total expenditures</b>	<u>23,630</u>	<u>23,630</u>	<u>8,753</u>	<u>14,877</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(18,275)</u>	<u>(18,275)</u>	<u>(2,714)</u>	<u>15,561</u>
<b>Net change in fund balances</b>	(18,275)	(18,275)	(2,714)	15,561
<b>FUND BALANCES:</b>				
Beginning of year	23,739	23,739	23,739	-
End of year	<u>\$ 5,464</u>	<u>\$ 5,464</u>	<u>\$ 21,025</u>	<u>\$ 15,561</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Morgan Ranch Improvement District Landscape & Lighting Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 23,132	\$ 23,132	\$ 23,132	\$ -
Use of money and property	25	25	153	128
<b>Total revenues</b>	<u>23,157</u>	<u>23,157</u>	<u>23,285</u>	<u>128</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	20,132	20,132	23,969	(3,837)
<b>Total expenditures</b>	<u>20,132</u>	<u>20,132</u>	<u>23,969</u>	<u>(3,837)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,025</u>	<u>3,025</u>	<u>(684)</u>	<u>(3,709)</u>
<b>Net change in fund balances</b>	3,025	3,025	(684)	(3,709)
<b>FUND BALANCES:</b>				
Beginning of year	6,628	6,628	6,628	-
End of year	<u>\$ 9,653</u>	<u>\$ 9,653</u>	<u>\$ 5,944</u>	<u>\$ (3,709)</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Morgan Ranch Assessment District 2003-1 Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 2,128	\$ 2,128	\$ 2,128	\$ -
Use of money and property	30	30	649	619
<b>Total revenues</b>	<u>2,158</u>	<u>2,158</u>	<u>2,777</u>	<u>619</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	20,028	20,028	499	19,529
<b>Total expenditures</b>	<u>20,028</u>	<u>20,028</u>	<u>499</u>	<u>19,529</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(17,870)</u>	<u>(17,870)</u>	<u>2,278</u>	<u>20,148</u>
<b>Net change in fund balances</b>	(17,870)	(17,870)	2,278	20,148
<b>FUND BALANCES:</b>				
Beginning of year	20,759	20,759	20,759	-
End of year	<u>\$ 2,889</u>	<u>\$ 2,889</u>	<u>\$ 23,037</u>	<u>\$ 20,148</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Morgan Ranch West Reassessment District 2010-1 Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 2,175	\$ 2,175	\$ 2,175	\$ -
Use of money and property	18	18	390	372
<b>Total revenues</b>	<u>2,193</u>	<u>2,193</u>	<u>2,565</u>	<u>372</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	615	615	500	115
<b>Total expenditures</b>	<u>615</u>	<u>615</u>	<u>500</u>	<u>115</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,578</u>	<u>1,578</u>	<u>2,065</u>	<u>487</u>
<b>Net change in fund balances</b>	1,578	1,578	2,065	487
<b>FUND BALANCES:</b>				
Beginning of year	12,310	12,310	12,310	-
End of year	<u>\$ 13,888</u>	<u>\$ 13,888</u>	<u>\$ 14,375</u>	<u>\$ 487</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Morgan Ranch West Landscape & Lighting No 1988-2 Annex Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 1,478	\$ 1,478	\$ 1,478	\$ -
Use of money and property	10	10	213	203
<b>Total revenues</b>	<u>1,488</u>	<u>1,488</u>	<u>1,691</u>	<u>203</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	6,378	6,378	312	6,066
<b>Total expenditures</b>	<u>6,378</u>	<u>6,378</u>	<u>312</u>	<u>6,066</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,890)</u>	<u>(4,890)</u>	<u>1,379</u>	<u>6,269</u>
<b>Net change in fund balances</b>	(4,890)	(4,890)	1,379	6,269
<b>FUND BALANCES:</b>				
Beginning of year	6,646	6,646	6,646	-
End of year	<u>\$ 1,756</u>	<u>\$ 1,756</u>	<u>\$ 8,025</u>	<u>\$ 6,269</u>

**City of Grass Valley, California**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**Ventana Sierra Special Revenue Fund**  
**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 4,732	\$ 4,732	\$ 4,732	\$ -
Use of money and property	15	15	261	246
<b>Total revenues</b>	<u>4,747</u>	<u>4,747</u>	<u>4,993</u>	<u>246</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	9,035	9,035	4,688	4,347
<b>Total expenditures</b>	<u>9,035</u>	<u>9,035</u>	<u>4,688</u>	<u>4,347</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,288)</u>	<u>(4,288)</u>	<u>305</u>	<u>4,593</u>
<b>Net change in fund balances</b>	(4,288)	(4,288)	305	4,593
<b>FUND BALANCES:</b>				
Beginning of year	8,755	8,755	8,755	-
End of year	<u>\$ 4,467</u>	<u>\$ 4,467</u>	<u>\$ 9,060</u>	<u>\$ 4,593</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Scotia Pines Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 3,655	\$ 3,655	\$ 3,655	\$ -
Use of money and property	10	10	346	336
<b>Total revenues</b>	<u>3,665</u>	<u>3,665</u>	<u>4,001</u>	<u>336</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	12,155	12,155	9,123	3,032
<b>Total expenditures</b>	<u>12,155</u>	<u>12,155</u>	<u>9,123</u>	<u>3,032</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(8,490)</u>	<u>(8,490)</u>	<u>(5,122)</u>	<u>3,368</u>
<b>Net change in fund balances</b>	(8,490)	(8,490)	(5,122)	3,368
<b>FUND BALANCES:</b>				
Beginning of year	11,395	11,395	11,395	-
End of year	<u>\$ 2,905</u>	<u>\$ 2,905</u>	<u>\$ 6,273</u>	<u>\$ 3,368</u>

**City of Grass Valley, California**  
**Combining Balance Sheet**  
**Block Grant Special Revenue Funds**  
**June 30, 2019**

	<u>CDBG</u>	<u>CDBG Revolving</u>	<u>Revolving Loan</u>	<u>04-STBG 1960</u>
<b>ASSETS</b>				
Cash and investments	\$ (1,639)	\$ 71,571	\$ 60,876	\$ -
Receivables:				
Intergovernmental	-	-	-	-
Loans/Notes receivable	-	539,010	279,794	271,146
<b>Total assets</b>	<u>\$ (1,639)</u>	<u>\$ 610,581</u>	<u>\$ 340,670</u>	<u>\$ 271,146</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nondisposable	-	610,581	279,794	271,146
Unassigned (deficit)	(1,639)	-	-	-
<b>Total fund balances</b>	<u>(1,639)</u>	<u>610,581</u>	<u>340,670</u>	<u>271,146</u>
<b>Total liabilities and fund balances</b>	<u>\$ (1,639)</u>	<u>\$ 610,581</u>	<u>\$ 340,670</u>	<u>\$ 271,146</u>

<u>86-STBG 217</u>	<u>91-STBG 467</u>	<u>95-STBG 897</u>	<u>97-STBG 1118</u>	<u>99-STBG 1362</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
<u>37</u>	<u>49,925</u>	<u>28,007</u>	<u>69,292</u>	<u>110,000</u>
<u>\$ 37</u>	<u>\$ 49,925</u>	<u>\$ 28,007</u>	<u>\$ 69,292</u>	<u>\$ 110,000</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
37	49,925	28,007	69,292	110,000
-	-	-	-	-
<u>37</u>	<u>49,925</u>	<u>28,007</u>	<u>69,292</u>	<u>110,000</u>
<u>\$ 37</u>	<u>\$ 49,925</u>	<u>\$ 28,007</u>	<u>\$ 69,292</u>	<u>\$ 110,000</u>

(continued)

**City of Grass Valley, California**  
**Combining Balance Sheet**  
**Block Grant Special Revenue Funds**  
**June 30, 2019**

	<u>CDBG Doris Dr</u>	<u>CDBG Housing</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and investments	\$ -	\$ -	\$ 130,808
Receivables:			
Intergovernmental	-	-	-
Loans/Notes receivable	43,769	73,060	1,464,040
<b>Total assets</b>	<u>\$ 43,769</u>	<u>\$ 73,060</u>	<u>\$ 1,594,848</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>			
Nondisposable	43,769	73,060	1,535,611
Unassigned (deficit)	-	-	(1,639)
<b>Total fund balances</b>	<u>43,769</u>	<u>73,060</u>	<u>1,594,848</u>
<b>Total liabilities and fund balances</b>	<u>\$ 43,769</u>	<u>\$ 73,060</u>	<u>\$ 1,594,848</u>

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**City of Grass Valley, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Block Grant Special Revenue Funds**  
**For the year ended June 30, 2019**

	<u>CDBG</u>	<u>CDBG Revolving</u>	<u>Revolving Loan</u>	<u>04-STBG 1960</u>
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	(15)	5,807	7,919	886
<b>Total revenues</b>	<u>(15)</u>	<u>5,807</u>	<u>7,919</u>	<u>886</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	0	10,717	741	-
<b>Total expenditures</b>	<u>-</u>	<u>10,717</u>	<u>741</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(15)</u>	<u>(4,910)</u>	<u>7,178</u>	<u>886</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	0	45,254	-	-
Transfers out	-	-	-	(1,200)
<b>Total other financing sources and uses</b>	<u>-</u>	<u>45,254</u>	<u>-</u>	<u>(1,200)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>(15)</u>	<u>40,344</u>	<u>7,178</u>	<u>(314)</u>
<b>FUND BALANCES:</b>				
Beginning of year	(1,624)	570,237	333,492	271,460
End of year	<u>\$ (1,639)</u>	<u>\$ 610,581</u>	<u>\$ 340,670</u>	<u>\$ 271,146</u>

<u>86-STBG 217</u>	<u>91-STBG 467</u>	<u>95-STBG 897</u>	<u>97-STBG 1118</u>	<u>99-STBG 1362</u>
\$ -	\$ -	\$ -	\$ -	\$ -
<u>52</u>	<u>408</u>	<u>956</u>	<u>1,275</u>	<u>-</u>
<u>52</u>	<u>408</u>	<u>956</u>	<u>1,275</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
<u>52</u>	<u>408</u>	<u>956</u>	<u>1,275</u>	<u>-</u>
-	-	-	-	-
<u>(2,392)</u>	<u>(1,600)</u>	<u>(3,588)</u>	<u>-</u>	<u>-</u>
(2,392)	(1,600)	(3,588)	-	-
(2,340)	(1,192)	(2,632)	1,275	-
<u>2,377</u>	<u>51,117</u>	<u>30,639</u>	<u>68,017</u>	<u>110,000</u>
<u>\$ 37</u>	<u>\$ 49,925</u>	<u>\$ 28,007</u>	<u>\$ 69,292</u>	<u>\$ 110,000</u>

**City of Grass Valley, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Block Grant Special Revenue Funds**  
**For the year ended June 30, 2019**

	CDBG Doris Dr	CDBG Housing	Totals
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ -	\$ -
Use of money and property	300	-	17,588
<b>Total revenues</b>	<b>300</b>	<b>-</b>	<b>17,588</b>
<b>EXPENDITURES:</b>			
Current:			
Community development	-	-	11,458
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>11,458</b>
<b>REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<b>300</b>	<b>-</b>	<b>6,130</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in			45,254
Transfers out	(3,519)	-	(12,299)
<b>Total other financing sources and uses</b>	<b>(3,519)</b>	<b>-</b>	<b>32,955</b>
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
<b>OVER (UNDER) EXPENDITURES AND OTHER</b>			
<b>FINANCING (USES)</b>	<b>(3,219)</b>	<b>-</b>	<b>39,085</b>
<b>FUND BALANCES:</b>			
Beginning of year	46,988	73,060	1,555,763
End of year	<b>\$ 43,769</b>	<b>\$ 73,060</b>	<b>\$ 1,594,848</b>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**CDBG Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	(15)	(15)
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>(15)</u>	<u>(15)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	14,303	14,303	-	14,303
<b>Total expenditures</b>	<u>14,303</u>	<u>14,303</u>	<u>-</u>	<u>14,303</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(14,303)</u>	<u>(14,303)</u>	<u>(15)</u>	<u>14,288</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	15,000	15,000	-	(15,000)
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
<b>Net change in fund balances</b>	697	697	(15)	(712)
<b>FUND BALANCES:</b>				
Beginning of year	(1,624)	(1,624)	(1,624)	-
End of year	<u>\$ (927)</u>	<u>\$ (927)</u>	<u>\$ (1,639)</u>	<u>\$ (712)</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**CDBG Revolving Block Grant Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 3,500	\$ 3,500	\$ 5,807	\$ 2,307
<b>Total revenues</b>	<b>3,500</b>	<b>3,500</b>	<b>5,807</b>	<b>2,307</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	10,000	10,000	10,717	(717)
<b>Total expenditures</b>	<b>10,000</b>	<b>10,000</b>	<b>10,717</b>	<b>(717)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,500)</b>	<b>(6,500)</b>	<b>(4,910)</b>	<b>1,590</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	24,460	24,460	45,254	20,794
Transfers out	(15,000)	(15,000)	-	15,000
<b>Total other financing sources (uses)</b>	<b>9,460</b>	<b>9,460</b>	<b>45,254</b>	<b>35,794</b>
<b>Net change in fund balances</b>	<b>2,960</b>	<b>2,960</b>	<b>40,344</b>	<b>37,384</b>
<b>FUND BALANCES:</b>				
Beginning of year	570,237	570,237	570,237	-
End of year	\$ 573,197	\$ 573,197	\$ 610,581	\$ 37,384

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Revolving Loan Block Grant Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 7,000	\$ 7,000	\$ 7,919	\$ 919
<b>Total revenues</b>	<u>7,000</u>	<u>7,000</u>	<u>7,919</u>	<u>919</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	1,000	1,000	741	259
<b>Total expenditures</b>	<u>1,000</u>	<u>1,000</u>	<u>741</u>	<u>259</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,000</u>	<u>6,000</u>	<u>7,178</u>	<u>1,178</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	(6,000)	(6,000)	-	6,000
<b>Total other financing sources (uses)</b>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>	<u>6,000</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>7,178</u>	<u>7,178</u>
<b>FUND BALANCES:</b>				
Beginning of year	333,492	333,492	333,492	-
End of year	<u>\$ 333,492</u>	<u>\$ 333,492</u>	<u>\$ 340,670</u>	<u>\$ 7,178</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**04-STBG 1960 Block Grant Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 895	\$ 895	\$ 886	\$ (9)
<b>Total revenues</b>	<u>895</u>	<u>895</u>	<u>886</u>	<u>(9)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>895</u>	<u>895</u>	<u>886</u>	<u>(9)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,176)	(1,176)	(1,200)	(24)
<b>Total other financing sources (uses)</b>	<u>(1,176)</u>	<u>(1,176)</u>	<u>(1,200)</u>	<u>(24)</u>
<b>Net change in fund balances</b>	<u>(281)</u>	<u>(281)</u>	<u>(314)</u>	<u>(33)</u>
<b>FUND BALANCES:</b>				
Beginning of year	271,460	271,460	271,460	-
End of year	<u>\$ 271,179</u>	<u>\$ 271,179</u>	<u>\$ 271,146</u>	<u>\$ (33)</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**86-STBG 217 Block Grant Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 175	\$ 175	\$ 52	(123)
<b>Total revenues</b>	<u>175</u>	<u>175</u>	<u>52</u>	<u>(123)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>175</u>	<u>175</u>	<u>52</u>	<u>(123)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(2,025)	(2,025)	(2,392)	(367)
<b>Total other financing sources (uses)</b>	<u>(2,025)</u>	<u>(2,025)</u>	<u>(2,392)</u>	<u>(367)</u>
<b>Net change in fund balances</b>	<u>(1,850)</u>	<u>(1,850)</u>	<u>(2,340)</u>	<u>(490)</u>
<b>FUND BALANCES:</b>				
Beginning of year	2,377	2,377	2,377	-
End of year	<u>\$ 527</u>	<u>\$ 527</u>	<u>\$ 37</u>	<u>\$ (490)</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**91-STBG 467 Block Grant Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 350	\$ 350	\$ 408	\$ 58
<b>Total revenues</b>	<u>350</u>	<u>350</u>	<u>408</u>	<u>58</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>350</u>	<u>350</u>	<u>408</u>	<u>58</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(350)	(350)	(1,600)	(1,250)
<b>Total other financing sources (uses)</b>	<u>(350)</u>	<u>(350)</u>	<u>(1,600)</u>	<u>(1,250)</u>
<b>Net change in fund balances</b>	-	-	(1,192)	(1,192)
<b>FUND BALANCES:</b>				
Beginning of year	51,117	51,117	51,117	-
End of year	<u>\$ 51,117</u>	<u>\$ 51,117</u>	<u>\$ 49,925</u>	<u>\$ (1,192)</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**95-STBG 897 Block Grant Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 375	\$ 375	\$ 956	\$ 581
<b>Total revenues</b>	<u>375</u>	<u>375</u>	<u>956</u>	<u>581</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>375</u>	<u>375</u>	<u>956</u>	<u>581</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(375)	(375)	(3,588)	(3,213)
<b>Total other financing sources (uses)</b>	<u>(375)</u>	<u>(375)</u>	<u>(3,588)</u>	<u>(3,213)</u>
<b>Net change in fund balances</b>	-	-	(2,632)	(2,632)
<b>FUND BALANCES:</b>				
Beginning of year	30,639	30,639	30,639	-
End of year	<u>\$ 30,639</u>	<u>\$ 30,639</u>	<u>\$ 28,007</u>	<u>\$ (2,632)</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**97-STBG 1118 Block Grant Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 1,282	\$ 1,282	\$ 1,275	\$ (7)
<b>Total revenues</b>	<u>1,282</u>	<u>1,282</u>	<u>1,275</u>	<u>(7)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,282</u>	<u>1,282</u>	<u>1,275</u>	<u>(7)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>1,282</u>	<u>1,282</u>	<u>1,275</u>	<u>(7)</u>
<b>FUND BALANCES:</b>				
Beginning of year	<u>68,017</u>	<u>68,017</u>	<u>68,017</u>	<u>-</u>
End of year	<u>\$ 69,299</u>	<u>\$ 69,299</u>	<u>\$ 69,292</u>	<u>\$ (7)</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**99-STBG 1362 Block Grant Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>				
Beginning of year	110,000	110,000	110,000	-
End of year	<u>\$ 110,000</u>	<u>\$ 110,000</u>	<u>\$ 110,000</u>	<u>\$ -</u>

**City of Grass Valley, California**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**CDBG Doris Dr Special Revenue Fund**  
**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 350	\$ 350	\$ 300	\$ (50)
<b>Total revenues</b>	<u>350</u>	<u>350</u>	<u>300</u>	<u>(50)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>350</u>	<u>350</u>	<u>300</u>	<u>(50)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(3,534)	(3,534)	(3,519)	15
<b>Total other financing sources (uses)</b>	<u>(3,534)</u>	<u>(3,534)</u>	<u>(3,519)</u>	<u>15</u>
<b>Net change in fund balances</b>	<u>(3,184)</u>	<u>(3,184)</u>	<u>(3,219)</u>	<u>(35)</u>
<b>FUND BALANCES:</b>				
Beginning of year	46,988	46,988	46,988	-
End of year	<u>\$ 43,804</u>	<u>\$ 43,804</u>	<u>\$ 43,769</u>	<u>\$ (35)</u>

**City of Grass Valley, California**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**CDBG Housing Special Revenue Fund**  
**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 525	\$ 525	\$ -	\$ (525)
<b>Total revenues</b>	<u>525</u>	<u>525</u>	<u>-</u>	<u>(525)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>525</u>	<u>525</u>	<u>-</u>	<u>(525)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>525</u>	<u>525</u>	<u>-</u>	<u>(525)</u>
<b>FUND BALANCES:</b>				
Beginning of year	73,060	73,060	73,060	-
End of year	<u>\$ 73,585</u>	<u>\$ 73,585</u>	<u>\$ 73,060</u>	<u>\$ (525)</u>

**City of Grass Valley, California**  
**Combining Balance Sheet**  
**Housing Special Revenue Funds**  
**June 30, 2019**

	HOME Grant	09-HOME 6272	HOME 8564
<b>ASSETS</b>			
Cash and investments	\$ 263,491	\$ -	\$ -
Receivables:			
Loans/Notes receivable	607,191	472,508	469,166
<b>Total assets</b>	<b>\$ 870,682</b>	<b>\$ 472,508</b>	<b>\$ 469,166</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,045	\$ -	\$ -
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>1,045</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable	607,191	472,508	469,166
Restricted	262,446	-	-
Unassigned (deficit)	-	-	-
<b>Total fund balances</b>	<b>869,637</b>	<b>472,508</b>	<b>469,166</b>
<b>Total liabilities and fund balances</b>	<b>\$ 870,682</b>	<b>\$ 472,508</b>	<b>\$ 469,166</b>

<u>99-HOME 0369</u>	<u>Housing Rehabilitation</u>	<u>00-HOME 0461</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 263,491
<u>411,815</u>	<u>364,437</u>	<u>1,683,277</u>	<u>4,008,394</u>
<u>\$ 411,815</u>	<u>\$ 364,437</u>	<u>\$ 1,683,277</u>	<u>\$ 4,271,885</u>
\$ -	\$ -	\$ -	\$ 1,045
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,045</u>
411,815	364,437	1,683,277	4,008,394
-	-	-	262,446
<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>411,815</u>	<u>364,437</u>	<u>1,683,277</u>	<u>4,270,840</u>
<u>\$ 411,815</u>	<u>\$ 364,437</u>	<u>\$ 1,683,277</u>	<u>\$ 4,271,885</u>

**City of Grass Valley, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Housing Special Revenue Funds**  
**For the year ended June 30, 2019**

	<u>HOME Grant</u>	<u>09-HOME 6272</u>	<u>HOME 8564</u>
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ -	\$ -
Use of money and property	4,851	11,659	12,584
Other revenues	<u>0</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>4,851</u>	<u>11,659</u>	<u>12,584</u>
<b>EXPENDITURES:</b>			
Current:			
Community development	<u>10,681</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>10,681</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<u>(5,830)</u>	<u>11,659</u>	<u>12,584</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	270,598	-	-
Transfers out	<u>-</u>	<u>(91,077)</u>	<u>(61,349)</u>
<b>Total other financing sources and uses</b>	270,598	(91,077)	(61,349)
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
<b>OVER (UNDER) EXPENDITURES AND OTHER</b>			
<b>FINANCING (USES)</b>	264,768	(79,418)	(48,765)
<b>FUND BALANCES:</b>			
Beginning of year	<u>604,869</u>	<u>551,926</u>	<u>517,931</u>
End of year	<u>\$ 869,637</u>	<u>\$ 472,508</u>	<u>\$ 469,166</u>

<u>99-HOME 0369</u>	<u>Housing Rehabilitation</u>	<u>00-HOME 0461</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -
6,061	6,040	47,524	88,719
-	-	-	-
<u>6,061</u>	<u>6,040</u>	<u>47,524</u>	<u>88,719</u>
-	-	-	10,681
-	-	-	<u>10,681</u>
6,061	6,040	47,524	78,038
-	-	-	270,598
<u>(78,908)</u>	<u>(32,955)</u>	<u>(39,264)</u>	<u>(303,553)</u>
(78,908)	(32,955)	(39,264)	(32,955)
(72,847)	(26,915)	8,260	45,083
484,662	391,352	1,675,017	4,225,757
<u>\$ 411,815</u>	<u>\$ 364,437</u>	<u>\$ 1,683,277</u>	<u>\$ 4,270,840</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**HOME Grant - Housing Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 150	\$ 150	\$ 4,851	\$ 4,701
Other revenues			-	-
<b>Total revenues</b>	<b>150</b>	<b>150</b>	<b>4,851</b>	<b>4,701</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	12,000	12,000	10,681	1,319
<b>Total expenditures</b>	<b>12,000</b>	<b>12,000</b>	<b>10,681</b>	<b>1,319</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(11,850)</b>	<b>(11,850)</b>	<b>(5,830)</b>	<b>6,020</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(11,850)</b>	<b>(11,850)</b>	<b>(5,830)</b>	<b>6,020</b>
<b>FUND BALANCES:</b>				
Beginning of year	604,869	604,869	604,869	-
End of year	<b>\$ 593,019</b>	<b>\$ 593,019</b>	<b>\$ 599,039</b>	<b>\$ 6,020</b>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**09-HOME 6272 Grant - Housing Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 13,000	\$ 13,000	\$ 11,659	\$ (1,341)
<b>Total revenues</b>	<u>13,000</u>	<u>13,000</u>	<u>11,659</u>	<u>(1,341)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>13,000</u>	<u>13,000</u>	<u>11,659</u>	<u>(1,341)</u>
<b>Net change in fund balances</b>	13,000	13,000	11,659	(1,341)
<b>FUND BALANCES:</b>				
Beginning of year	551,926	551,926	551,926	-
End of year	<u>\$ 564,926</u>	<u>\$ 564,926</u>	<u>\$ 563,585</u>	<u>\$ (1,341)</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**HOME 8564 Grant - Housing Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	15,000	15,000	12,584	(2,416)
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>15,000</b>	<b>15,000</b>	<b>12,584</b>	<b>(2,416)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>15,000</b>	<b>15,000</b>	<b>12,584</b>	<b>(2,416)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>15,000</b>	<b>15,000</b>	<b>12,584</b>	<b>(2,416)</b>
<b>FUND BALANCES:</b>				
Beginning of year	517,931	517,931	517,931	-
End of year	\$ 532,931	\$ 532,931	\$ 530,515	\$ (2,416)

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**99-HOME 0369 Grant - Housing Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 150	\$ 150	\$ 6,061	\$ 5,911
<b>Total revenues</b>	<u>150</u>	<u>150</u>	<u>6,061</u>	<u>5,911</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	0	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>150</u>	<u>150</u>	<u>6,061</u>	<u>5,911</u>
<b>Net change in fund balances</b>	150	150	6,061	5,911
<b>FUND BALANCES:</b>				
Beginning of year	484,662	484,662	484,662	-
End of year	<u>\$ 484,812</u>	<u>\$ 484,812</u>	<u>\$ 490,723</u>	<u>\$ 5,911</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Housing Rehabilitation - Housing Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 5,200	\$ 5,200	\$ 6,040	\$ 840
<b>Total revenues</b>	<u>5,200</u>	<u>5,200</u>	<u>6,040</u>	<u>840</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,200</u>	<u>5,200</u>	<u>6,040</u>	<u>840</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(11,000)	(11,000)	(32,955)	(21,955)
<b>Total other financing sources (uses)</b>	<u>(11,000)</u>	<u>(11,000)</u>	<u>(32,955)</u>	<u>(21,955)</u>
<b>Net change in fund balances</b>	<u>(5,800)</u>	<u>(5,800)</u>	<u>(26,915)</u>	<u>(21,115)</u>
<b>FUND BALANCES:</b>				
Beginning of year	391,352	391,352	391,352	-
End of year	<u>\$ 385,552</u>	<u>\$ 385,552</u>	<u>\$ 364,437</u>	<u>\$ (21,115)</u>

**City of Grass Valley, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**00-HOME 0461 Grant - Housing Special Revenue Fund**

**For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 47,524	\$ 47,524	\$ 47,524	\$ -
<b>Total revenues</b>	<u>47,524</u>	<u>47,524</u>	<u>47,524</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>47,524</u>	<u>47,524</u>	<u>47,524</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(39,264)	(39,264)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(39,264)</u>	<u>(39,264)</u>
<b>Net change in fund balances</b>	<u>47,524</u>	<u>47,524</u>	<u>8,260</u>	<u>(39,264)</u>
<b>FUND BALANCES:</b>				
Beginning of year	1,675,017	1,675,017	1,675,017	-
End of year	<u>\$ 1,722,541</u>	<u>\$ 1,722,541</u>	<u>\$ 1,683,277</u>	<u>\$ (39,264)</u>

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## NON-MAJOR PERMANENT FUNDS

<b>Fund</b>	<b>Description</b>
Elizabeth Daniels	Accounts for funds received for the Elizabeth Daniels Park.
Animal Shelter	Accounts for funds received for the Animal Shelter.

**City of Grass Valley, California**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**June 30, 2019**

	Permanent Funds		Non-Major Permanent Funds Totals
	Elizabeth Daniels	Animal Shelter	
<b>ASSETS</b>			
Cash and investments	\$ 99,203	\$ 30,739	\$ 129,942
<b>Total assets</b>	<u>\$ 99,203</u>	<u>\$ 30,739</u>	<u>\$ 129,942</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>			
Restricted	91,583	28,650	120,233
Assigned	7,620	2,089	9,709
<b>Total fund balances</b>	<u>99,203</u>	<u>30,739</u>	<u>129,942</u>
<b>Total liabilities and fund balances</b>	<u>\$ 99,203</u>	<u>\$ 30,739</u>	<u>\$ 129,942</u>

**City of Grass Valley, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the year ended June 30, 2019**

	Permanent Funds		Non-Major Permanent Funds Totals
	Elizabeth Daniels	Animal Shelter	
<b>REVENUES:</b>			
Use of money and property	\$ 2,939	\$ 911	\$ 3,850
<b>Total revenues</b>	<u>2,939</u>	<u>911</u>	<u>3,850</u>
<b>EXPENDITURES:</b>			
Current:			
General government	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,939</u>	<u>911</u>	<u>3,850</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	2,939	911	3,850
<b>FUND BALANCES:</b>			
Beginning of year	96,264	29,828	126,092
End of year	<u>\$ 99,203</u>	<u>\$ 30,739</u>	<u>\$ 129,942</u>

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**City of Grass Valley, California**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2019**

<b>Whispering Pines Morgan Ranch Redemption</b>	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>ASSETS</b>				
Cash and investments	\$ 60	\$ 63	\$ (60)	\$ 63
<b>Total assets</b>	<b>\$ 60</b>	<b>\$ 63</b>	<b>\$ (60)</b>	<b>\$ 63</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to (from) others	60	63	(60)	63
<b>Total liabilities</b>	<b>\$ 60</b>	<b>\$ 63</b>	<b>\$ (60)</b>	<b>\$ 63</b>
<b>Whispering Pines Morgan Ranch Reserve 2001</b>				
<b>ASSETS</b>				
Cash and investments	\$ 3	\$ (92,874)	\$ (3)	\$ (92,874)
Cash and investments held by trustees	277,265	178,354	(277,265)	178,354
<b>Total assets</b>	<b>\$ 277,268</b>	<b>\$ 85,480</b>	<b>\$ (277,268)</b>	<b>\$ 85,480</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 615	\$ -	\$ 615
Due to (from) others	277,268	84,865	(277,268)	84,865
<b>Total liabilities</b>	<b>\$ 277,268</b>	<b>\$ 85,480</b>	<b>\$ (277,268)</b>	<b>\$ 85,480</b>
<b>Whispering Pines Morgan Ranch Redemption 2001</b>				
<b>ASSETS</b>				
Cash and investments	\$ 158,508	\$ 273,043	\$ (158,508)	\$ 273,043
Cash and investments held by trustees	33	10	(33)	10
Receivables:				
Assessments	7,399	759	(7,399)	759
<b>Total assets</b>	<b>\$ 165,940</b>	<b>\$ 273,812</b>	<b>\$ (165,940)</b>	<b>\$ 273,812</b>
<b>LIABILITIES</b>				
Deposits payable	\$ -	\$ -	\$ -	\$ -
Due to (from) others	165,940	273,812	(165,940)	273,812
<b>Total liabilities</b>	<b>\$ 165,940</b>	<b>\$ 273,812</b>	<b>\$ (165,940)</b>	<b>\$ 273,812</b>

**City of Grass Valley, California**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds, Continued**  
**For the year ended June 30, 2019**

<b>Totals</b>	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>ASSETS</b>				
Cash and investments	\$ 158,571	\$ 180,232	\$ (158,571)	\$ 180,232
Cash and investments held by trustees	277,298	178,364	(277,298)	178,364
Receivables:				
Assessments	7,399	759	(7,399)	759
<b>Total assets</b>	<u>\$ 443,268</u>	<u>\$ 359,355</u>	<u>\$ (443,268)</u>	<u>\$ 359,355</u>
<b>LIABILITIES</b>				
Due to (from) others	\$ 443,268	\$ 358,740	\$ (443,268)	\$ 358,740
<b>Total liabilities</b>	<u>\$ 443,268</u>	<u>\$ 359,355</u>	<u>\$ (443,268)</u>	<u>\$ 359,355</u>