

2018

# Comprehensive Annual Financial Report

Fiscal Year Ended June 30



Photo Credit – Jeremy Couso, SusanvilleStuff.com

**CITY OF SUSANVILLE**



**City of Susanville**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2018**

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66 North Lassen Street  
Susanville, California 93130  
Telephone (530) 252-5112  
Fax (530) 257-4725

December 13, 2018

To the Honorable Mayor, Members of the  
City Council and Citizens of the City of Susanville:

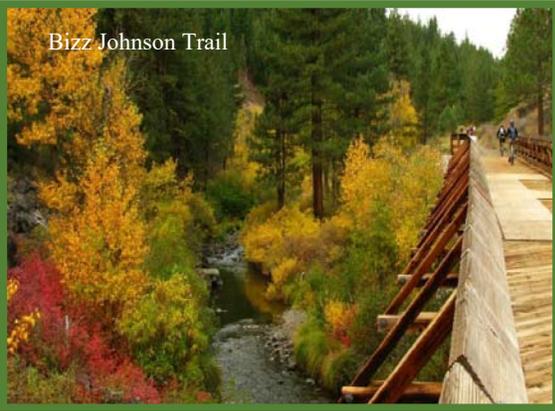
The Comprehensive Annual Financial Report (CAFR) for the City of Susanville for the fiscal year ended June 30, 2018 is hereby submitted as mandated by State statutes. These statutes require that the accounts and fiscal affairs of all municipal entities be examined annually by an independent certified public accountant and a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) be published within six months of the close of each fiscal year.

This report consists of the management's representations concerning the finances of the City of Susanville. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Susanville's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Susanville's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City of Susanville's financial statements have been audited by Badawi & Associates, a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City of Susanville for the fiscal year ended June 30, 2018 are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified or clean opinion and the City's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that the management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of 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.

## City of Susanville Profile



The City of Susanville is a General-Law City incorporated under California law in 1900. The City is located in Northeastern California (85 miles from Reno, Nevada and 112 miles from Redding California.) and offers a wide variety of experiences for the outdoor enthusiast. There are approximately 60 miles of developed trails for hiking, biking, cross country skiing and horseback riding that provide breathtaking views of the mountain ranges and fall colors.

Numerous rivers and streams as well as the beauty of Eagle Lake provide ample

opportunities for fisherman and boating enthusiast to experience our great outdoors



The spring of 2017 also marked the grand opening of the Honey Lake Valley Recreation Authority (HLVRA) Community Pool. The City of Susanville and County of Lassen combined forces to form the HLVRA joint powers authority for the building of a community pool to replace Roosevelt Pool that closed in 2005 due to structural issues.



## **Form of Government**

The City operates under the City Council/City Administrator form of government. The people of Susanville elect five Council Members, from which the City Council chooses the Mayor and the Mayor Pro-Tempore. The Mayor and Mayor Pro-Tempore are appointed for a two-year term. Council Members are elected to serve alternating four-year terms. The City Council appoints the City Administrator and the City Attorney. All municipal elections are at large.

## **City Services**

The City of Susanville provides a wide range of municipal services, including police and fire protection, water, natural gas and geothermal utilities, street maintenance, snow removal, parks, planning, economic vitality, grant administration, contract administration services for other government agencies, zoning, building and safety, and other general government services. Accounting, payroll, revenue collection, accounts payable, treasury, budget, financial reporting, business licensing and utility billing are the responsibility of the Administrative Services Department.

## **Accounting Policy and Control**

The City's accounting records are maintained on a modified accrual basis. Revenues are recorded when measurable and available and expenditures are recorded when goods or services are received and the liability incurred. The annual budget serves as the foundation for the City of Susanville's financial planning and control. The annual budget is legally required to be adopted by July 1 of each year and is appropriated at the fund level. City Council may appropriate, amend or transfer funds by an affirmative vote of three Council Members at any regular or special Council meeting, with the transfer of some restricted funds requiring a 4/5ths vote. The City Administrator is authorized to transfer between departments of the General Fund and Department Heads have the authority to transfer between most line items within their respective budgets.

## **Factors Affecting Financial Condition**

The City is continuing to recover from the recession, with signs of growth reflected in property tax revenues and transient occupancy tax receipts. Population for the City decreased by .08% from the previous year. This decrease is attributed to a decline in the prison population at High Desert State Prison and California Correctional Center. Another indicator of economic improvement is the declining unemployment rate for the City.

The three major sources of General Fund revenue include Sales and Use Tax, Property Tax and Property Tax In-Lieu of Vehicle License Fees. These three revenues account for 73% of the General Fund Revenues.

## **Sales and Use Tax**

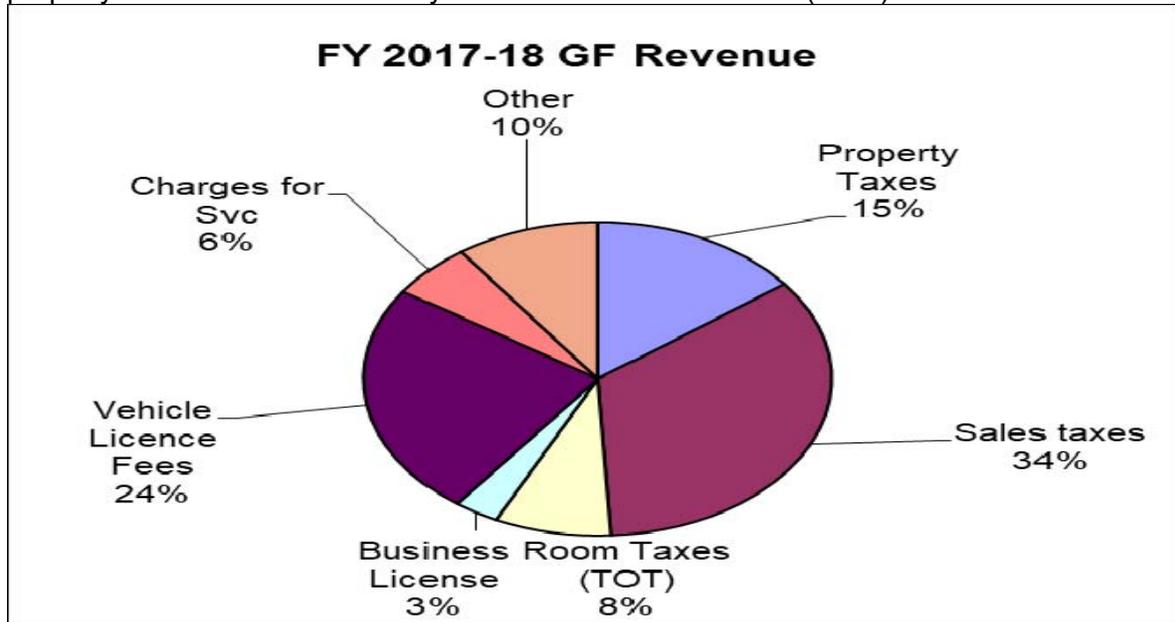
Sales and Use Tax is the City's largest source of revenue, representing approximately 34% of all general fund revenues. Sales and Use Tax had an increase of 10.9% over Fiscal Year 2016/2017. This large increase includes a misallocation from the Department of Tax and Fee Administration due to an incorrect tax return of approximately \$300,000. This allocation will be paid back during the 2018/2019 Fiscal Year.

## Property Tax

Property Tax represents approximately 15% of all general fund revenues. Property Tax revenue has increased by 7% over the last three years primarily due to continuing growth in property values. New housing construction is still slow to recover with only 2 permits issued for new construction in the 2017/2018 Fiscal Year.

## Property Tax In-Lieu of Vehicle License Fees

Property Tax In-Lieu of VLF represents approximately 24% of all general fund revenues. This revenue increased by \$190,946 from the previous year due to increased assessed property valuations within the City in accordance with AB2115(2004).



## Long Range Planning

In the forthcoming fiscal year, the City plans to use a five-year fiscal planning forecast. This forecast will assist in identifying important trends and understanding the long-term consequences of budget decisions. The City has been successful in reaching and maintaining its reserve requirement of 20% of budgeted general fund revenues. A one-time draw down of reserves was approved in 2017/2018 by a budget amendment to fund one-time capital improvement.

## Major Initiatives

### *Managing Rising Pension Costs*

The City of Susanville, like many municipalities throughout the State, is facing rising CalPERS pension costs. This is primarily related to the changes in CalPERS actuarial assumptions which include changes to discount rate, amortization policies, mortality rates, and the implementation of risk mitigation strategies. The City's estimated Fiscal Year 18/19 contribution for the normal and unfunded liability portions of pension costs and the debt service payment for the Side Fund Refunding Loan is \$1,069,388. This represents an

increase of \$173,951 from the previous year. Pending and additional changes to the actuarial assumptions these payments will continue to ramp up through Fiscal Year 2031/32.

#### *Future and on-going projects*

- Technology assessment and security upgrades for various city offices.
- 5 year plan for the General Fund
- Funding deferred capital improvements
- Pavement Rehabilitation projects throughout the City including programming of funds for the Gateway project to improve aesthetics and safety features along Highway 36/Main Street
- Replacing water lines throughout the City using the reserves created by the increase in water rates in 2017 and completing phase one of a water delivery project utilizing \$1.7 million in state water funds to improve water infrastructure.
- Improved economic vitality through promotion of recreation activities for residents and visitors.

#### **Awards and Acknowledgments**

The Certificate for Outstanding Financial Reporting has been awarded to the City of Susanville for its Comprehensive Annual Financial Report (CAFR) every year since fiscal year 2005/2006 and we believe that the current CAFR meets these requirements and have submitted it to CSMFO for this year's award.

We wish to express our thanks and appreciation to the Mayor, Members of the City Council and Management for their leadership, interest, and continued support in planning and conducting the financial operations of the City of Susanville in a responsible and prudent manner in the best interests of the citizens of Susanville. We would also like to thank City Staff for their continued dedication to improving our wonderful City.

Respectfully submitted,



Dan Newton  
Interim City Administrator



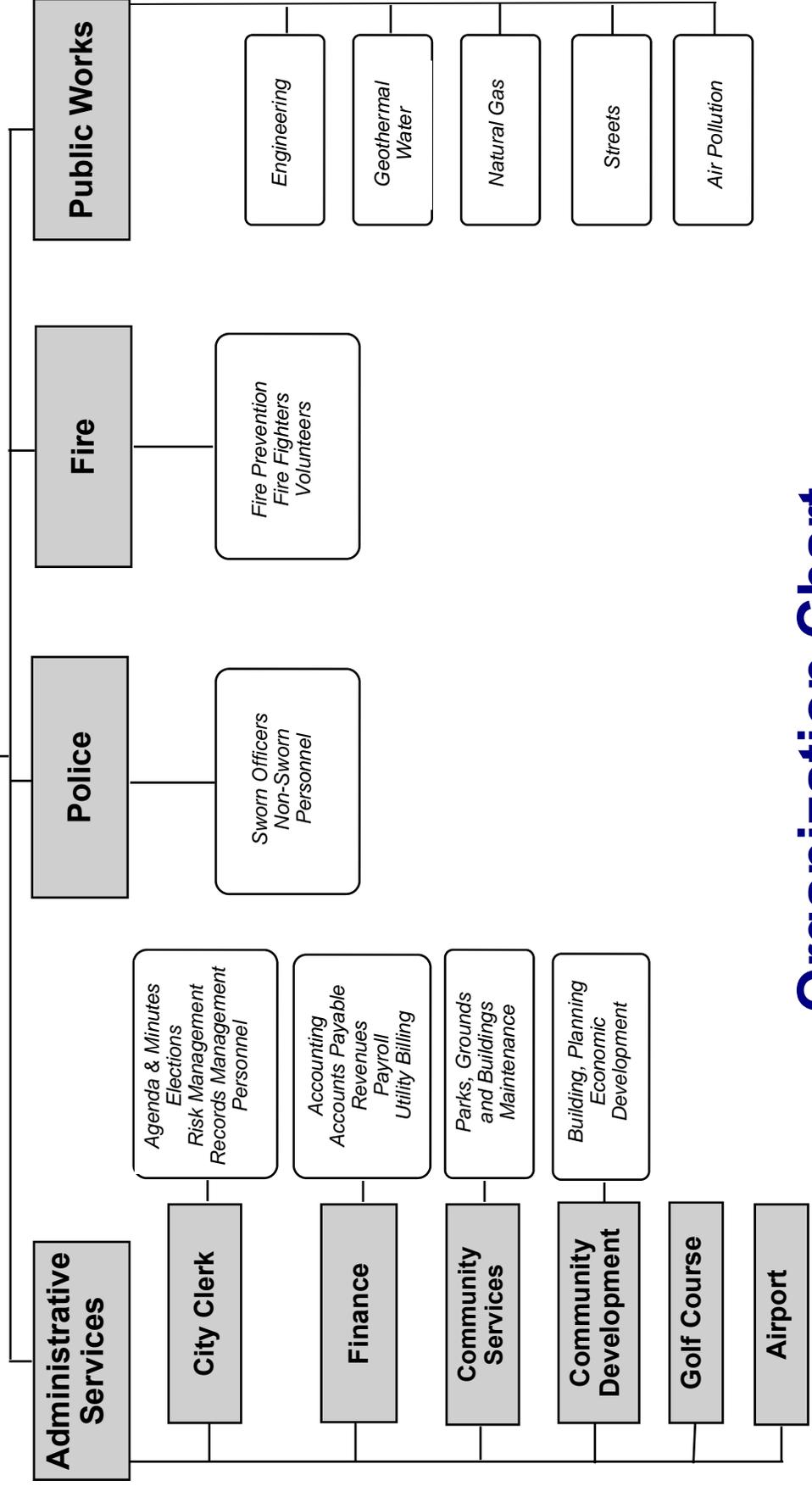
Deborah Savage  
Finance Manager



**PUBLIC**  
**CITY COUNCIL**

**CITY ATTORNEY**

**CITY ADMINISTRATOR**



**Organization Chart**



# City Council

Fiscal Year 2017-18

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## Council Members

Kevin Stafford – Mayor

Joseph Franco – Mayor Pro-Tempore

Brian Wilson

Brian Moore

Armenda Schuster

City of Susanville  
**Executive Staff**

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Interim City Administrator	Dan Newton
City Clerk	Gwenna MacDonald
Police Chief	Kevin Jones
Fire Chief	James Moore
Acting-Public Works Director	Dan Gibbs
Finance Manager	Deborah Savage

# California Society of Municipal Finance Officers

*Certificate of Award*

## *Outstanding Financial Reporting Award Fiscal Year 2016-2017*

*Presented to the*

***City of Susanville***

For meeting the criteria established to achieve the Outstanding Financial Reporting Award.

**January 31, 2018**



*Drew Corbett*

**Drew Corbett  
CSMFO President**

*Craig Boyer*

**Craig Boyer, Chair  
Professional Standards and  
Recognition Committee**

***Dedicated Excellence in Municipal Financial Reporting***

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
of the City of Susanville  
Susanville, California

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Susanville, California (City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

To the Honorable Mayor and Members of the City Council  
of the City of Susanville  
Susanville, California  
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***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, 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 the management's discussion and analysis, budgetary comparison information, and pension information on pages 5-24, 92-94, and 95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 111 to 128, and statistical 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 on pages 102 to 139 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules on pages 102 to 139 are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council  
of the City of Susanville  
Susanville, California  
Page 3

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2018, 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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi and Associates  
Certified Public Accountants  
Oakland, California  
December 13, 2018

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**City of Susanville**  
**Management's Discussion & Analysis**  
**Year Ended June 30, 2018**

This is the management's discussion and analysis of the financial performance of the City of Susanville for the fiscal year ended June 30, 2018. Please read this in conjunction with the transmittal letter, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

**BASIC FINANCIAL STATEMENTS**

The basic financial statements, including the accompanying notes, constitute the core of the City's financial section. The fiscal year of the City starts on July 1 and ends on June 30. This report includes a blend of fund accounting and government-wide financial reporting. The basic financial statements presented are:

- Government-wide
- Governmental funds
- Proprietary funds
- Fiduciary funds

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives.

**Government-Wide Financial Statements**

Generally accepted accounting principles (GAAP) for state and local governments prescribe two basic government-wide financial statements:

- Government-wide Statement of Net Position
- Government-wide Statement of Activities

The government-wide financial statements include all governmental and business type activities of the City, but not its fiduciary activities.

The government-wide Statement of Net Position is the basic government-wide statement of all the City's assets, liabilities, and net position. The difference between assets and liabilities on the Statement of Net Position is referred to as net position (rather than equity).

GAAP requires that the primary government's governmental activities be reported separately from its business-type activities. Business-type activities include enterprise funds. Internal service funds are included as part of governmental activities. GAAP requires that the government-wide Statement of Net Position provide a total column for the primary government. All internal balances (payables and receivables between governmental activities) are generally eliminated from this total column.

The government-wide Statement of Activities is used to report changes in the net position reported in the government-wide Statement of Net Position. This statement presents expenses before revenues. This is to emphasize that in the public sector, revenues are generated for the purpose of providing services rather than maximizing revenues as the ultimate goal.

***Direct expenses*** - The first column of the government-wide Statement of Activities presents direct expenses associated with each of the City's functional activities. Examples of functions are: general government, public safety, streets & public works, planning, community services and recreation, and community development.

***Indirect expenses*** - GAAP does not require governments to allocate indirect expenses to their various functional activities.

***Program revenues*** - Some programs are directly financed, in whole or in part, by resources generated by or dedicated to the program. GAAP requires that such *program revenues* be presented separately. Examples of program revenues include charges for services, fees, permits, licenses, fines, grants, contributions, donations, etc. that are restricted to specific programs.

***General revenues*** - All revenues that do not qualify as program revenues are reported as general revenues. Examples of general revenues are: property taxes, sales taxes, transient lodging taxes, franchise taxes, business license taxes, and use of money and property.

## **Governmental Fund Financial Statements**

GAAP requires two basic governmental fund financial statements:

- Governmental Funds Balance Sheet

- Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances

The difference between the assets and liabilities of governmental funds is reported as fund balance. Fund balance is divided into non-spendable, restricted, committed, assigned and unassigned.

GAAP requires that each major fund be reported in a separate column. The General Fund is always considered a major fund. All other non-major governmental funds are aggregated and reported in a single column regardless of fund type. A fund is considered major if it meets both of the following criteria:

1. 10% Criterion – An individual fund reports at least 10 percent of any of the following:
  - Total governmental fund assets
  - Total governmental fund liabilities
  - Total governmental fund revenues
  - Total governmental fund expenditures
  - Total governmental fund net position
2. 5% Criterion – An individual fund reports at least 5 percent of the aggregate total for both governmental funds and enterprise funds of any one of the items for which it met the 10 percent criterion.

A budgetary comparison is presented for the General Fund for which an annual budget is legally adopted. The budgetary comparison includes the original appropriated budget, the final amended budget and actual amounts. For the purposes listed above, the major governmental funds for the City are the General Fund and the Streets and Highways fund. For a listing of non-major governmental funds, please refer to the supplementary information in the financial statements

### **Proprietary Fund Financial Statements**

GAAP prescribes three basic financial statements for proprietary funds:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

GAAP requires the same major fund reporting for enterprise funds described earlier for governmental funds. GAAP also indicates that internal service funds are *never* to be reported as major funds. Although internal service funds are proprietary funds (like enterprise funds) they are consolidated as part of governmental activities in the government-wide financial statements because their primary customers are typically the governmental operations. Therefore, internal service funds are reported in a

separate aggregated column on the proprietary fund financial statements. The Major proprietary funds for the City are the Natural Gas fund and the Water fund. For a listing of the non-major proprietary (enterprise) funds, please refer to the Supplementary Information pages in the financial statements.

### **Fiduciary Fund Financial Statements**

Fiduciary fund financial statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

GAAP prescribes up to two basic financial statements for fiduciary funds:

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position

Fiduciary funds are never reported as major funds. Therefore, the focus of reporting for the fiduciary fund financial statements is the various fund types. That is, the statement should present one column for each fund type reported. The City's only fiduciary funds are agency funds.

The Statement of Changes in Fiduciary Net Position is unique in that all changes in net position are classified as either additions or deletions. The City has four fiduciary funds: Historic Uptown Susanville Association Business Improvement District, Section 125 AFLAC/Wageworks, Lassen County Air Pollution Control District, and Lassen Local Agency Formation Commission.

## **ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Net position acts as an indicator of a government's financial position. Overall, the net position of the City shows an increase from the prior fiscal year. Assets exceeded liabilities by \$4.9 million as of June 30, 2017 (\$-3.0 million for governmental activities and \$8 million for business-type activities), and by \$6.1 million as of June 30, 2018 (\$-3.1 million for governmental activities and \$9.2 million for business-type activities). This is primarily due to the increases to deferred outflows of resources (\$943,562 for governmental activities and \$73,117 for business-type activities), increases in cash and investments (\$590,837 for governmental activities and \$851,919 for business type activities), decreases to deferred inflows of resources (\$67,103 for governmental activities and \$38,431 for business type activities) and increases to net pension liabilities (\$1,373,770 for governmental activities and \$226,827 for business-type activities).

Governmental activities are generally financed through taxes and intergovernmental revenues. These activities are reported in the governmental funds (General Fund, special revenue funds, capital projects funds, debt service funds) and internal service

funds. Business-type activities are generally funded through user fees and charges. These activities are reported in the proprietary funds.

Tables A-1 and A-2 on the following pages, present a summary of the City's Statements of Net Position as of June 30, 2017 and 2018.

Table A-1  
Government-wide Net Position as of June 30, 2017 and 2018  
**Governmental Activities**

	<u>2017</u>	<u>2018</u>
Cash & investments	\$ 5,696,176	\$ 6,147,013
Capital assets	4,289,794	4,223,931
Other assets	2,442,826	2,309,020
	<u>12,428,796</u>	<u>12,679,964</u>
Deferred Outflows of Resources	2,108,011	3,051,573
Current liabilities	1,494,023	1,666,981
Net pension liabilities	8,704,931	10,078,701
Other non-current liabilities	6,351,995	6,022,723
	<u>16,550,949</u>	<u>17,768,405</u>
Deferred Inflows of Resources	1,080,456	1,013,353
Net investment in capital assets	3,011,863	3,175,697
Restricted	3,091,763	2,694,959
Unrestricted	(9,198,224)	(8,920,877)
	<u>\$ (3,094,598)</u>	<u>\$(3,050,221)</u>
	=====	=====

Table A-2  
Government-wide Net Position as of June 30, 2017 and 2018  
**Business-type Activities**

	<u>2017</u>	<u>2018</u>
Cash & investments	\$ 10,776,074	\$ 11,627,993
Capital assets	29,732,925	29,722,846
Other assets	871,480	847,559
Total assets	<u>41,380,479</u>	<u>42,198,398</u>
Deferred Outflows of Resources	946,571	1,019,688
Current liabilities	1,141,153	1,277,562
Net pension liabilities	1,128,415	1,355,242
Other non-current liabilities	31,850,735	31,224,277
Total liabilities	<u>34,120,303</u>	<u>33,857,081</u>
Deferred Inflows of Resources	174,691	136,260
Net investment in capital assets	(1,984,283)	(1,465,481)
Restricted	2,447,781	2,453,021
Unrestricted	7,568,558	8,237,205
Total net position	<u>\$ 8,032,056</u> =====	<u>\$ 9,224,745</u> =====

The Statement of Activities presents program revenues and expenses and general revenues in detail. These elements are summarized for the year ended June 30, 2017 and 2018 in Tables B-1 and B-2 below and the following page.

Table B-1  
 Changes in Government-wide Net Position  
 For the Fiscal Years Ended June 30, 2017 and 2018  
**Governmental Activities**

	<u>2017</u>	<u>2018</u>
<u>Expenses (by function):</u>		
General government	\$ 478,702	\$ 969,254
Public safety	4,373,474	4,596,119
Streets	2,960,232	1,747,522
Protective inspections	189,901	271,724
Community services	301,068	443,536
Community development	300,922	295,884
Debt service	308,646	182,460
	<u>8,912,945</u>	<u>8,506,499</u>
<u>Program revenues (by major source):</u>		
Charges for services	405,004	626,163
Operating grants and contributions	823,166	1,373,417
Capital grants and contributions	2,475,395	924,443
	<u>3,703,565</u>	<u>2,924,023</u>
<u>General revenues and transfers:</u>		
Property taxes	915,021	942,800
Sales & use taxes	2,017,089	2,145,343
Transient lodging taxes	507,981	520,158
Franchise taxes	34,409	26,211
Business license taxes	278,286	200,760
Other taxes	40,227	48,364
Property tax in lieu of VLF	1,354,666	1,545,612
Investment earnings	46,938	63,022
Sale of Capital Assets	0	0
Transfers	136,074	134,583
	<u>5,330,691</u>	<u>5,626,853</u>
Change in net position	121,311	44,377
Net position, beginning of year	<u>(3,215,909)</u>	<u>(3,094,598)</u>
Net position, end of year	\$ (3,094,598) =====	\$ (3,050,221) =====

Table B-2  
 Changes in Government-wide Net Position  
 For the Fiscal Years Ended June 30, 2017 and 2018  
**Business-type Activities**

	<b>2017</b>	<b>2018</b>
<u>Expenses (by function):</u>		
Airport	\$ 278,398	\$ 274,429
Water	2,217,023	2,146,258
Geothermal	85,691	97,254
Natural gas	4,171,912	3,868,114
Golf course	314,412	299,189
Total expenses	7,067,436	6,685,244
<u>Program revenues (by major source):</u>		
Charges for services	7,821,744	7,730,437
Operating grants and contributions	0	0
Capital grants and contributions	43,524	163,666
Total program revenues	7,865,298	7,894,103
<u>General revenues and transfers:</u>		
Use of money and property	48,312	118,413
Miscellaneous	0	0
Transfers	(136,074)	(134,583)
Total general revenues and transfers	(87,762)	(16,170)
Change in net position	710,100	1,192,689
Net position, beginning of year	7,321,956	8,032,056
Net position, end of year	\$ 8,032,056	\$ 9,224,745

At June 30, 2018, the total cash and investments for all funds increased by \$1,302,756 (from \$16,472,250 to \$17,775,006). The primary reasons for this increase are:

- The Natural Gas Fund cash and investments increased by \$672,357 (from \$6,446,649 to \$7,119,006) up from the previous year by \$74,905. The winter of 2018 was warmer than the previous year. This caused receipts from customers to decline by (\$138,760). This also saved (\$75,802) in natural gas purchases due to lower consumption. LAIF interest increased by \$37,983 from the previous year. Expenses within the fund also declined. Payroll costs declined by (\$98,841) due to unfilled positions within the department.

- General Fund cash increased by \$276,997, (from \$2,925,434 to \$3,202,431) during fiscal year 2017-18. This increase is primarily due to an increase in transfers out to the Airport Fund and the Golf Course Fund of \$25,228 from 2017-18 (in 2018 the Airport Fund received \$52,780 and the Golf Course Fund received \$48,692), a transfer in of \$30,157 to close the Miller Fletcher Debt Service Fund, a decrease in accounts receivable of \$60,288, receipt of \$140,000 from FEMA for flood damage repair work that will be completed in 2018/19 (placed in restricted General Fund account).
- The Water Fund cash and investments increased by \$178,967 (from \$4,071,218 to \$4,250,185), down from the previous year by (\$186,062). This is primarily due to an increase in receipts from customers of \$187,577, an decrease of (\$415,087) in payments to suppliers and vendors (for payments made to contractors for water main replacement projects billed in 2015/2016 and paid in 2016/17) , an increase of \$9,426 in payments to employees, an increase in purchase of capital assets of \$784,538 (2017 portion of the Water Main Replacement project and the purchase of a new utility vehicle) a decrease in receipts from other funds and capital grants received of (\$17,339), an increase to payments to other funds of \$49,516 (for the water fund portion of the CalPERS Refunding Loan \$14,772 and the transfer out to Streets Fund for repairing the streets after utility work \$34,744), a decrease of (\$58,477) to long term debt service payments and an increase of \$23,574 in LAIF interest allocation.
- The Gas Tax Fund cash increased by \$38,485 (from \$176,147 to \$214,632). This increase is primarily due to a reduction in the overhead cost allocation charges for Public Works Administration and City Hall Administration and salary savings from vacant positions.

## **ANALYSIS OF MAJOR GOVERNMENTAL FUNDS**

Following is a short description of the financial highlights for each of the City's major governmental funds for fiscal year 2017-18:

### **General Fund**

The General Fund ended Fiscal Year 2017-18 with an increase in fund balance of \$281,364 (from \$3,276,659 to \$3,558,023) compared to the prior year. This increase in fund balance can be primarily attributed to a net \$140,000 allocation from FEMA to fund repairs from the flooding event in Fiscal Year 2016/17, an increase in sales tax, property tax and out of area fires revenue combined with salary savings from unfilled positions helped to offset an increase in expenditures for CalPERS and professional services and add approximately \$141,000 to the increase in fund balance

For the year, General Fund total revenues exceeded total expenditures (excluding transfers) by \$902,991, as compared to \$883,347 for fiscal year 2016-17.

Total General Fund revenues increased from the prior year by \$1,057,815 (from \$5,829,118 to \$6,886,933). This is primarily due to an increase in property taxes of \$27,779, an increase to sales and use tax of \$128,254, an increase to transient occupancy tax of \$12,177, an increase to property tax in lieu of VLF of \$190,946, an increase in out of area fires for \$82,262, an increase in grant revenue of \$285,970 ( Nor-Cal EMS grant, OES Hazardous Materials Response Team grant, Hazardous Mitigation Plan grant and CalOES Flow Study grant), an increase of \$135,598 in contract services for the HLVRA and LCAPCD, an increase in building permits and plan check fees for \$46,338 and an allocation from FEMA of \$140,000 for repairs from flood damage in February 2017. Franchise taxes and business licenses decreased by (\$85,724) from the previous year. This decrease is mainly due to collection of delinquent sales tax filings in the previous year and corrections to a large retailer's quarterly filings in the current year.

Compared to the prior year, the General Fund expenditures increased by \$1,038,231 (from \$4,945,771 to \$5,984,002). This is primarily due to an increase in personnel costs of \$246,938. This increase includes changes to personnel costs for employee bargaining groups, \$119,565 for a full year employee costs for the HLVRA Community Pool operations and hiring of interns to assist with new grant applications and project management. The City provides personnel for the pool and are fully reimbursed by the HLVRA. Salary savings from unfilled positions assisted in keeping the overall increase lower than expected. Dispatch and animal control expenses increased \$80,577, training and technical services increased by \$235,545 related to grant expenditures as listed above, machinery and equipment as well as supplies safety equipment increased by \$60,311 for purchasing a new computer server and rifle rated tactical armour for the police department, an increase of \$185,245 in professional services and a decrease in the cost allocation reimbursement of (\$139,268) for the true-up at year end.

General Fund transfers out increased from the prior year by \$219,644 (from \$460,752 to \$680,396). This is primarily due to an increase of \$54,780 for a transfer to the Airport Fund and an increase of \$48,692 for a transfer to the Golf Course Fund to remove negative cash balances (in 2016/17 the borrowing of cash was booked as a due to/due from), an increase out to the PERS refinancing loan of \$81,600 and an increase of \$33,900 transfer out for the community pool debt service payment.

### **Gas Tax Special Revenue Fund**

This fund accounts for gas tax revenue received from the State of California and is used for street purposes within the City. The Gas Tax Fund ended fiscal year 2017-18 with a decrease in fund balance of \$337,272 (from \$171,875 to (\$165,397)) compared to the prior year. This decrease is primarily due to expenses being incurred for a number of State Transportation Improvement Fund (STIP) projects before reimbursement was received from the State of California. In 2017-18 the Gas Tax Fund had 7 projects at

various phases throughout the City. The Gas Tax Fund also has expenses for the Paul Bunyan Connectivity Grant as well as the Southeast Gateway Project.

### **ANALYSIS OF MAJOR PROPRIETARY FUNDS**

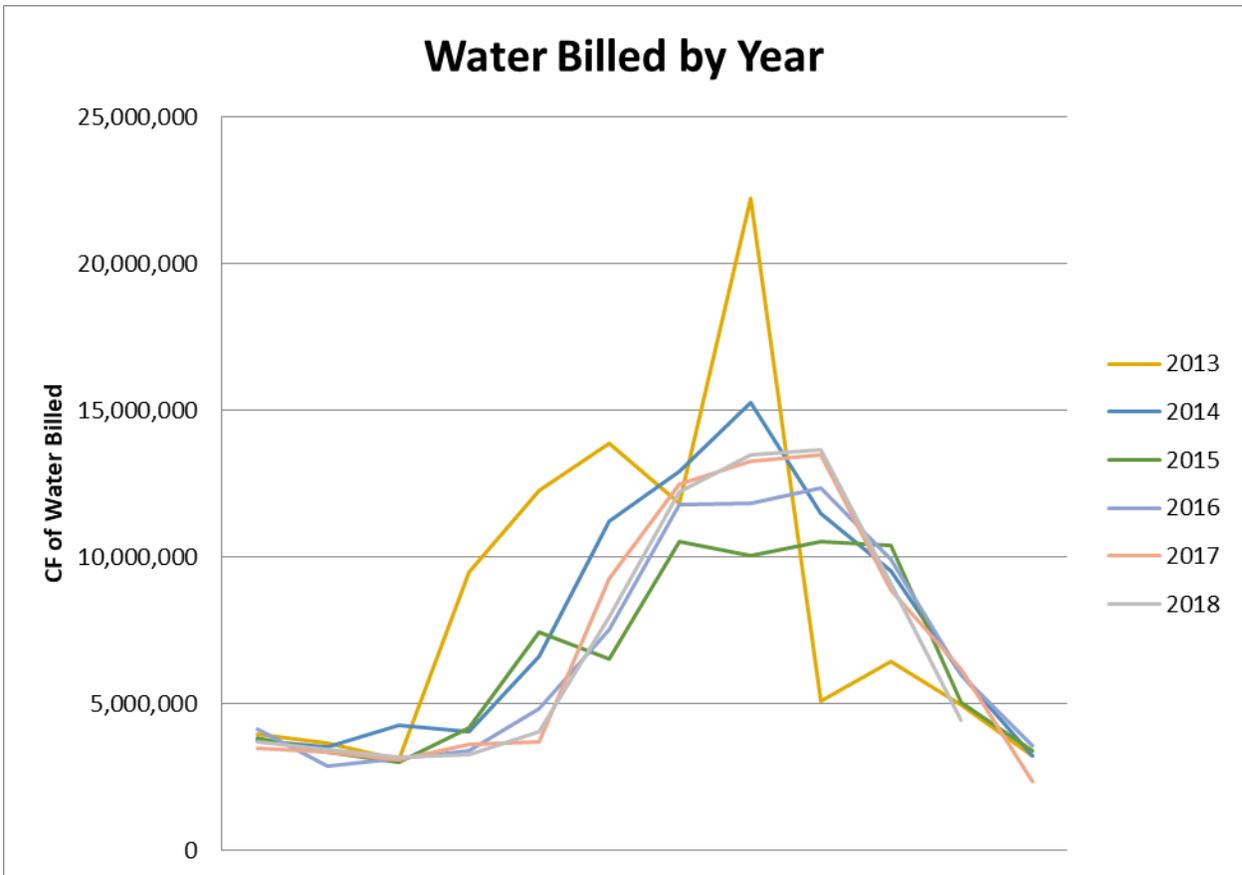
Following is a short description of the financial highlights for each of the City's major proprietary funds for fiscal year 2017-18:

#### **Water Enterprise Fund**

At June 30, 2018 the Water Fund ending net position shows an increase of \$522,988 (from \$3,101,096 to \$3,624,084). Overall the assets of the water fund increased by \$453,970. This is primarily due to an increase in cash of \$178,967, an increase in inventory of \$1,035 (only a small number of meters are on hand for emergency repairs if needed), increases in prepaids and interest receivable of \$11,696 (LAIF interest rates beginning to increase), decrease in accounts receivable of (\$104,649) and an increase in capital assets of \$371,552 for the 2017 Water Main Replacement projects.

The total liabilities decreased by (\$43,686), (from \$9,286,913 to \$9,243,227) mostly due to reductions in notes and bonds payable from debt service payments (\$303,000), an increase in net pension liability of \$106,743, and an increase in accounts payable of \$146,188 due to the water main replacement project in 2017-18.

Water Fund sales and charges for services increased by \$25,441 (from, \$2,725,529 to \$2,750,970) from the previous year. This is primarily due an increase in usage as compared to the previous year. The City has not returned to the pre-conservation measure usages from 2013/14 that our rate study was based on and this has impacted our anticipated collection of revenues. Interest income increased over the prior year by \$30,323.



Year	January	February	March	April	May	June	July	August	September	October	November	December
2013	3,950,991	3,648,086	3,119,114	9,501,185	12,288,237	13,900,891	11,818,948	22,206,864	5,103,404	6,432,238	4,961,965	3,238,666
2014	3,763,552	3,546,712	4,281,674	4,061,568	6,638,821	11,232,968	12,939,952	15,288,115	11,502,372	9,545,211	6,021,793	3,243,084
2015	3,830,449	3,347,200	3,008,766	4,200,684	7,434,018	6,546,869	10,534,564	10,046,221	10,553,006	10,406,420	5,063,707	3,407,189
2016	4,147,027	2,898,639	3,154,300	3,389,670	4,840,900	7,534,658	11,797,002	11,856,182	12,345,571	9,914,996	5,990,657	3,587,749
2017	3,474,768	3,373,936	3,087,756	3,602,556	3,695,073	9,260,682	12,481,940	13,282,633	13,468,258	8,865,610	6,167,787	2,352,037
2018	3,705,364	3,432,759	3,167,055	3,279,686	4,039,662	7,957,582	12,231,134	13,478,956	13,674,379	9,111,103	4,444,770	

Total expenses, including interest expense and transfers out decreased by (\$21,249) (from \$2,301,319 to \$2,280,070). This is primarily due to a decrease of (\$70,821) in depreciation expense and overhead charges and an increase in transfers out of \$49,516 for the Water Fund portion of the CalPERS debt service and contribution to the Streets Fund for repairs in the roadway after utility work.

There were approximately 3,813 water customer accounts at June 30, 2018.

As with most cities and counties within the State of California, Susanville is not immune from experiencing drought conditions. The City however is located in the high desert and is accustomed to low rainfall and is not as impacted as the rest of the state. The City's water supply is fed by two natural springs and 3 wells. The wells are used to meet watering demand during irrigation season, which is typically April through September.

With the exception of peak irrigation season, (June, July, August) the springs (Cady and Bagwell), supply the majority of the City's water.

### **Natural Gas Enterprise Fund**

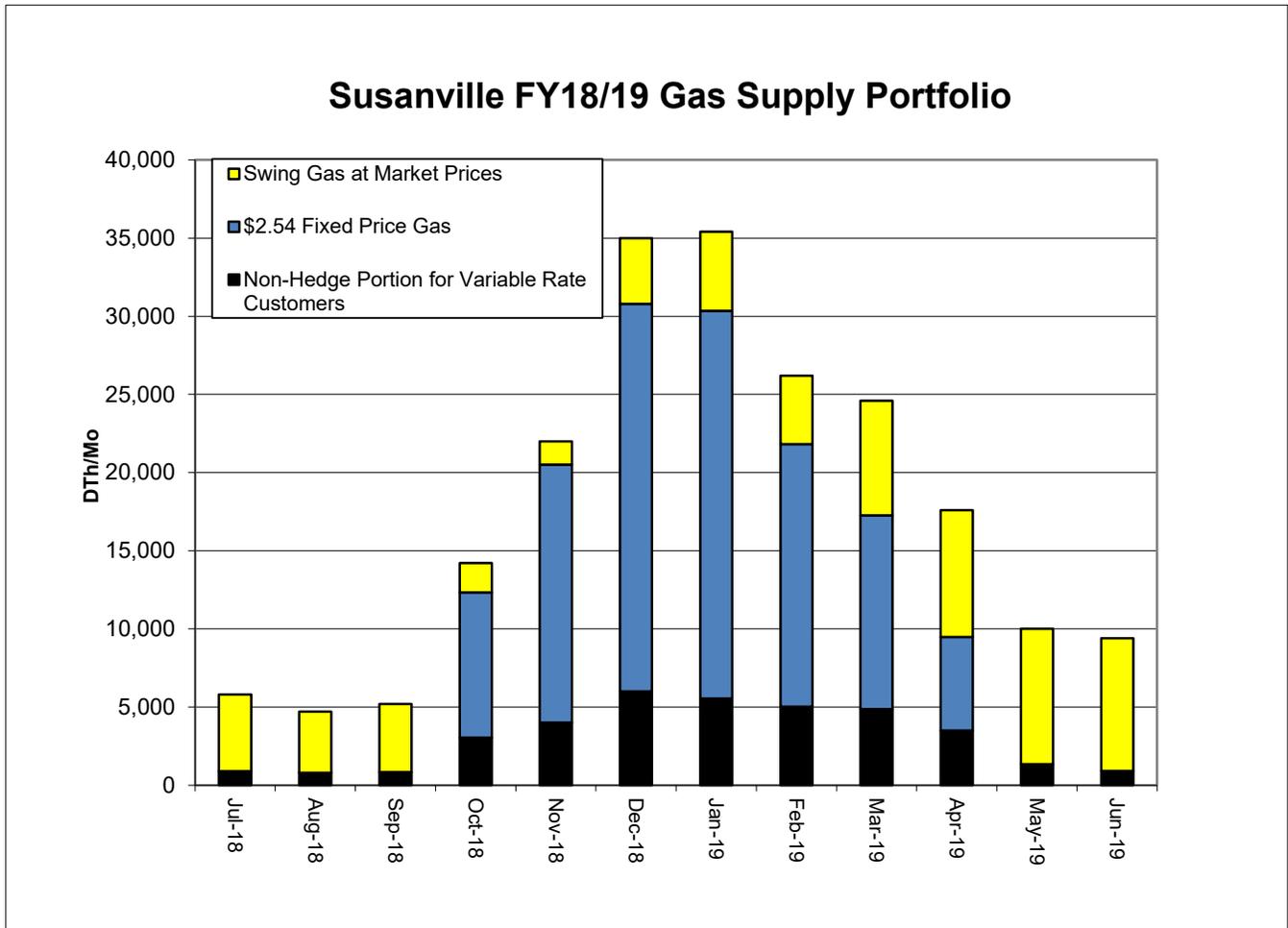
The Natural Gas Fund reached a positive net position for the first time since the systems inception in 2001. The fund decreased its net position deficit by \$618,777 during fiscal year 2017-18 (from - \$124,128 to \$494,649). The winter of 2017-18 saw dryer conditions and warmer temperatures than the previous winter. This decreased the gas sales and charges for services by (\$138,760).

Expenses decreased from the previous year by (\$291,415). This is primarily due to a decrease in the purchase of natural gas (\$75,802), a decrease in salaries and benefits by (\$98,841) for unfilled positions, an increase in transfers out by \$12,383 for the natural gas portion the CalPERS debt service, a decrease in supplies by (\$24,772) for purchasing gas meters and equipment, a decrease in overhead allocation by (\$13,074), and decreases in repair and maintenance and bad debt expense by (\$42,603).

Total Assets increased by \$307,044 (from \$24,588,118 to \$24,895,162), primarily due to an increase in cash of \$672,357, an increase to interest receivable of \$11,491, a decrease in accounts receivable of (\$28,327), and a decrease in depreciable assets of (\$356,447).

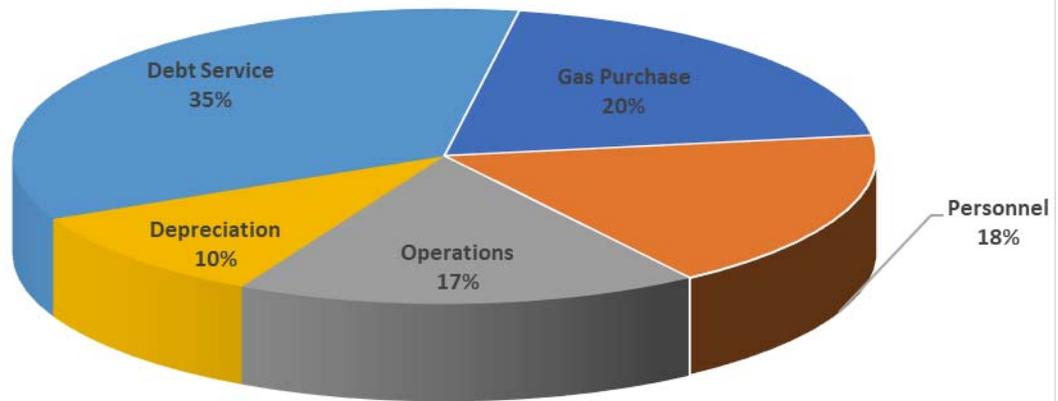
Total liabilities decreased by (\$225,517) (from \$24,767,810 to \$24,542,293), primarily due to a decrease in revenue bonds payable of (\$288,183) for principal debt service payments made, a decrease in accounts payable of (\$54,766), and an increase of \$120,084 in net pension liability and a decrease in compensated absences and deposits payable of (\$7,494).

The cost of natural gas in the open market has continued to decrease allowing the City to make critical purchases for the following year. As the gas is purchased in the market approximately a year in advance, the City has already secured its fiscal year 2018-19 supply portfolio as follows:



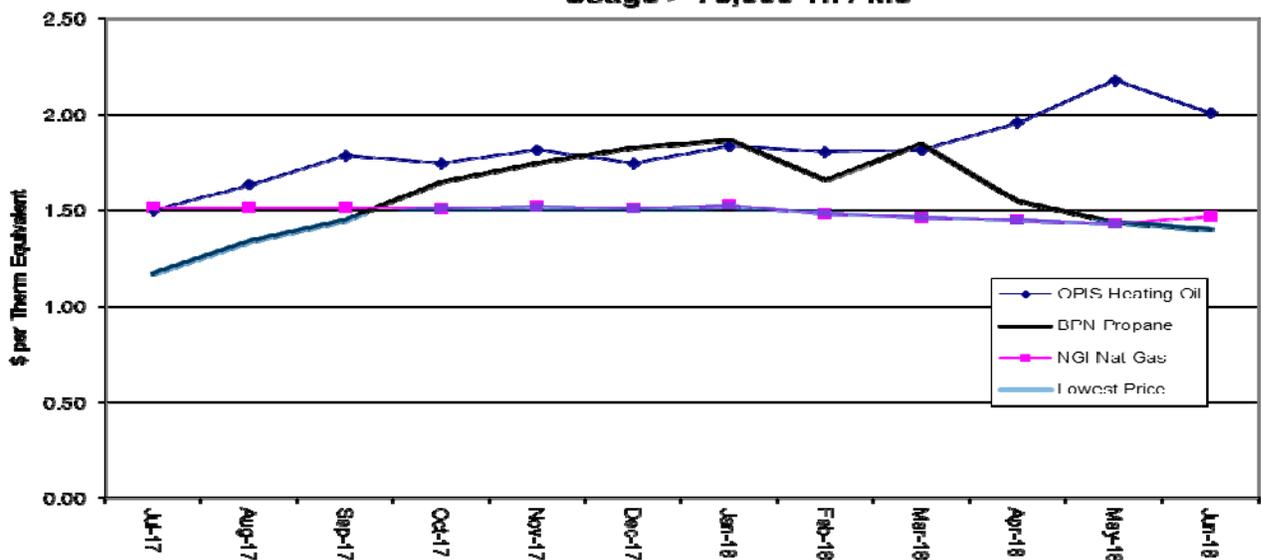
The new purchasing agreement with BP gives the City a five-year wintertime fixed price of \$2.54 per decatherm, hedging most of the residential and small commercial load. The City is currently hedged at 75% for the winter months. Although the purchasing of the natural gas commodity is highlighted above, it only represents 20% of the actual expenses. The largest expense for this enterprise fund is debt service. The debt service payments on the revenue bonds will increase yearly until 2031 when the payment reaches \$1,807,075. Payments on the refunding revenue bond will be defeased in 2045.

## Natural Gas



Historically, the cost of natural gas has been lower than its competition (propane, electricity, kerosene and heating oil) in the winter months. This year, the cost of natural gas was lower than heating oil and propane during these key heating months. The Natural Gas division responds to customer service calls 24 hours a day at no cost to the customer. Customers are only charged for parts that might be necessary to fix an appliance or heating source. This quality customer service continues to draw new customers to our system when the price of propane and heating oil falls lower than Natural gas.

### Heating Oil vs. Propane vs. Natural Gas Usage > 75,000 Th / Mo



The City utilizes the services of Interstate Gas Services (IGS), a consulting firm specialized in natural gas. IGS evaluates and monitors the natural gas system operations and its performance, and periodically advises the City on industry change.

**General Fund Budget Highlights:**

The fiscal year 2017-18 annual budget was prepared and approved on June 21, 2017 and became effective July 1, 2017 with a budgeted deficit spending of (\$146,070). The City is experiencing increases in sales tax revenue, property tax revenue and property tax in-lieu of VLF. Salary savings from unfilled positions have allowed the City the ability to prevent the deficit spending anticipated in the beginning budget. The reserve fund at June 30, 2018 currently has \$1,336,774. As part of the budget policies adopted by Resolution No. 18-5520, the City will strive to maintain General Fund reserve equal to twenty percent (20%) of annual operating revenues. Prudent fiscal management by the City Council and City Administration has allowed the City to escape many of the tribulations faced by other cities throughout the State of California.

**BUDGET VARIANCES IN THE GENERAL FUND**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Difference</i>	<i>Actual</i>	<i>Variance vs Final Budget</i>
Revenues	\$5,561,914	\$6,727,239	\$ 1,165,325	\$6,886,933	\$ 159,694
Expenditures	(5,149,778)	(6,567,098)	(1,387,320)	(5,984,002)	583,096
Other financing sources and (uses):					
Transfers in	18,725	95,178	76,453	58,829	(36,349)
Transfers out	(576,931)	(716,757)	(139,826)	(680,396)	36,361
Net change in fund balance	<u>\$(146,070)</u>	<u>\$ (461,438)</u>	<u>\$ (285,368)</u>	<u>\$ 281,364</u>	<u>\$ 742,802</u>
	=====	=====	=====	=====	=====

After the original 2017-18 budget was adopted, the City Council approved several budget amendments. Changes throughout the year resulted in the final budget. Changes were as follows:

		<i><b>Increases (Decreases)</b></i>
Revenues	91,355	Load Carryover Hazardous Mitigation
	28,945	Load Carryover Nor-Cal EMS Grant
	350,000	Resolution 17-5410 HLVRA Budget
	266,080	Resolution 17-5380 Hazardous Materials Training Grant
	160,000	Resolution 17-5430 Out of Area Fires
	460	Resolution 17-5443 Police Department Neighborhood Watch Signs
	31,000	Resolution 18-5467 Memorial Park Improvements
	175,510	Resolution 18-5471 Mid-Year Budget (Increase Prop Tax In-Lieu VLF)
	(1,461)	Resolution 18-5471 Mid-Year Budget (Decrease Rents and Royalties)
	5,000	Resolution 18-5471 Mid-Year Budget (Increase Interest Revenue)
	10,000	Resolution 18-5471 Mid-Year Budget (Increase Plan Check Fees)
	6,856	Resolution 18-5471 Mid-Year Budget (Increase Safe Streets Task Force)
	30,158	Resolution 18-5471 Mid-Year Budget (Increase Transfers In To Close Miller Fletcher)
	9,943	Resolution 18-5471 Mid-Year Budget (Increase Transfer In to Close Prop 30/AB109)
	600	Resolution 18-5471 Mid-Year Budget (Increase Credit Card Convenience Fee)
	60,000	Resolution 18-5445 CalOES Flow Study Grant
	17,332	Resolution 18-5510 Police SCORE Grant
	<u>1,241,778</u>	Total revenue changes
Expenditures	460	Resolution 17-5443 Police Department Neighborhood Watch Signs
	350,000	Resolution 17-5410 HLVRA Budget
	5,424	Resolution 17-5412 Caselle Upgrade
	160,000	Resolution 17-5430 Out of Area Fires
	266,080	Resolution 17-5380 Hazardous Materials Training Grant
	30,000	Resolution 17-5441 Fire Department Engine Purchase
	31,000	Resolution 18-5467 Memorial Park Improvements
	85,000	Resolution 18-5471 Mid-Year Budget (Increase Professional Services City Attorney)
	125,000	Resolution 18-5471 Mid-Year Budget (Increase Payroll for Separation Agreement)
	3,000	Resolution 18-5471 Mid-Year Budget (Increase Advertising)
	15,307	Resolution 18-5471 Mid-Year Budget (Increase Dispatch Contract)
	10,316	Resolution 18-5471 Mid-Year Budget (Increase Animal Control Contract)
	2,000	Resolution 18-5471 Mid-Year Budget (Increase Transfer Out to Airport)
	60,000	Resolution 18-5445 CalOES Flow Study Grant
	17,332	Resolution 18-5510 Police SCORE Grant
	36,352	Resolution 18-5225 Police Department Server
	101,474	Resolution 18-5582 Cash Transfer to Golf Course and Airport Funds
	228,401	Resolution 18-5492 FEMA 4301-4308 Budgets
	<u>1,527,146</u>	Total expenditure changes
	(285,368)	Net change in budget

As of June 30, 2018, total General Fund revenues and other financing sources were \$6,945,762 or \$123,345 more than budgeted. This variance is primarily due to an increase of \$245,000 in sales tax revenue, an increase \$80,000 in transient occupancy tax and an increase of \$180,000 for allocations from FEMA to repair flooding damage that was not budgeted for and helped cover the \$340,000 in unrealized budget projections.

Actual expenditures and other financing sources were \$6,664,398 or (\$619,457) less than budgeted. This was primarily due to FEMA repairs being delayed until 2018-19 in the amount of \$292,000, HLVRA pool budget savings of \$203,503, savings in Fire Department of \$126,000 due to out of area fires and unused capital asset budget.

## **CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY**

For more detailed information, please read this in conjunction with the City's basic financial statements and related notes, which follow this discussion.

### **Capital Assets Activity**

Capital assets are reported at historical cost. The cost of capital assets includes capitalized interest and ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition, such as freight and transportation charges, site preparation costs, and professional fees. Donated capital assets are reported at their estimated fair value at the time of acquisition plus ancillary charges if any.

Capital assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water systems, dams and lighting systems.

The City depreciates its capital assets according to their estimated useful lives and uses a straight line depreciation method.

The City's primary capital projects in 2017-18 were the Water Main Replacement project and various STIP rehabilitation projects throughout the City.

## Long-term Debt Activity

The principal amount of the City's outstanding debt at June 30, 2018 was as follows:

2010 Refunding Revenue Bonds	\$31,330,000	Secured by natural gas and water revenues
City Hall Bonds	1,094,842	Secured by 2013 lease financing agreement with Compass Bank
U.S. Department of Agriculture Note	793,000	Secured by Water Fund Infrastructure
2013 CalPERS Refunding Loan	4,068,280	Secured by General Fund gross revenues
Community Pool Debt Service	\$1,070,000	Secured by General Fund gross revenues

Scheduled principal repayments of \$876,876 were made during fiscal year 2017-18. All debt service principal and interest payments are current. For more detailed information, please refer to the notes to the financial statements for long-term debt.

## SUMMARY OF KNOWN FACTS, DECISIONS AND CONDITIONS

It has been a slow process coming out of the recession, however the City is beginning to experience increased revenues in sales tax and property taxes. These increases are needed to help defray the skyrocketing costs to CalPERS. However, the revenue increases are not expected to keep pace with the increasing CalPERS expenses. The City's pension costs are anticipated to double within the next six years. New sustainable revenue sources are needed to meet increasing operational and personnel needs of the City. Due to the limitations imposed on California cities by Proposition 13 and 218 in generating new revenues, the City continues to look for alternate revenue sources.

In June 2018, the City and County jointly placed a sales tax measure on the ballot. The Sales Tax ballot measure was overwhelmingly defeated. The City must continue to work toward identifying new revenue streams or face significant General Fund shortfalls that will erode the reserve accounts.

The City Council adopted the budget for fiscal year 2018-19 on July 1, 2018. The budget reflects Council priorities and maintains the same level of services provided in fiscal year 2017-18. The General Fund expenditures budget for fiscal year 2018-19 is \$1,033,024 or 18% more than the prior fiscal year. The increase (from \$5,726,709 in

fiscal year 2017-18 to \$6,759,733 in fiscal year 2018-19) reflects funding all approved positions within the budget with a 4% vacancy reduction and an increase in transfers out for debt service payment, the General Fund required Maintenance of Effort contribution to the Gas Tax Fund for our RMRA allocation, increases to Public Safety spending for bargaining agreement changes and dispatch/animal control contract increases. General Fund revenues are projected to increase 12%.

## **CONTACTING CITY MANAGEMENT**

This annual financial report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to the Administrative Services Department, at 66 North Lassen Street, Susanville, California 96130.

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# BASIC FINANCIAL STATEMENTS

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**City of Susanville**  
**Statement of Net Position**  
**June 30, 2018**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 6,147,013	\$ 9,174,972	\$ 15,321,985
Accounts receivable	893,328	669,162	1,562,490
Interest receivable	28,323	41,064	69,387
Prepaid expenses	38,055	6,170	44,225
Inventory	21,989	52,430	74,419
Total current assets	<u>7,128,708</u>	<u>9,943,798</u>	<u>17,072,506</u>
Noncurrent assets:			
Loans receivable	1,327,325	-	1,327,325
Restricted cash and investments with fiscal agents	-	2,453,021	2,453,021
Prepaid bond insurance	-	78,733	78,733
Capital assets:			
Non-depreciable	3,585,211	4,326,372	7,911,583
Depreciable, net	638,720	25,396,474	26,035,194
Total capital assets	<u>4,223,931</u>	<u>29,722,846</u>	<u>33,946,777</u>
Total noncurrent assets	<u>5,551,256</u>	<u>32,254,600</u>	<u>37,805,856</u>
<b>Total assets</b>	<b><u>12,679,964</u></b>	<b><u>42,198,398</u></b>	<b><u>54,878,362</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	46,608	615,622	662,230
Deferred employer pension contributions	763,136	102,616	865,752
Deferred outflows of resources - pension	2,241,829	301,450	2,543,279
<b>Total deferred outflows of resources</b>	<b><u>3,051,573</u></b>	<b><u>1,019,688</u></b>	<b><u>4,071,261</u></b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	934,578	220,880	1,155,458
Accrued wages	191,465	-	191,465
Accrued interest	24,079	152,147	176,226
Deposits payable	23,165	226,622	249,787
Unearned revenue	-	28,072	28,072
Sick leave conversion payable - due within one year	6,144	-	6,144
Compensated absences - due within one year	56,635	16,841	73,476
Notes payable - due within one year	-	18,000	18,000
Bonds payable - due within one year	430,915	615,000	1,045,915
Total current liabilities	<u>1,666,981</u>	<u>1,277,562</u>	<u>2,944,543</u>
Noncurrent liabilities:			
Sick leave conversion payable - due in more than one year	18,265	-	18,265
Compensated absences - due in more than one year	174,531	53,328	227,859
Net pension liability	10,078,701	1,355,242	11,433,943
Notes payable - due in more than one year	-	775,000	775,000
Bonds payable - due in more than one year	5,829,927	30,395,949	36,225,876
Total noncurrent liabilities	<u>16,101,424</u>	<u>32,579,519</u>	<u>48,680,943</u>
<b>Total liabilities</b>	<b><u>17,768,405</u></b>	<b><u>33,857,081</u></b>	<b><u>51,625,486</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	1,013,353	136,260	1,149,613
<b>Total deferred inflows of resources</b>	<b><u>1,013,353</u></b>	<b><u>136,260</u></b>	<b><u>1,149,613</u></b>
<b>NET POSITION</b>			
Net investment in capital assets	3,175,697	(1,465,481)	1,710,216
Restricted	2,694,959	2,453,021	5,147,980
Unrestricted	(8,920,877)	8,237,205	(683,672)
<b>Total net position</b>	<b><u>\$ (3,050,221)</u></b>	<b><u>\$ 9,224,745</u></b>	<b><u>\$ 6,174,524</u></b>

See accompanying Notes to Basic Financial Statements.

**City of Susanville**  
**Statement of Activities**  
**For the year ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 969,254	\$ 239,593	\$ 248,112	\$ -	\$ 487,705
Public safety	4,596,119	131,708	693,624	-	825,332
Streets	1,747,522	526	431,681	924,443	1,356,650
Protective inspections	271,724	136,430	-	-	136,430
Community services	443,536	103,050	-	-	103,050
Community development	295,884	14,856	-	-	14,856
Interest on long-term debt	182,460	-	-	-	-
<b>Total governmental activities</b>	<b>8,506,499</b>	<b>626,163</b>	<b>1,373,417</b>	<b>924,443</b>	<b>2,924,023</b>
<b>Business-type activities:</b>					
Airport	274,429	89,210	-	163,666	252,876
Water	2,146,258	2,751,353	-	-	2,751,353
Natural gas	3,868,114	4,542,782	-	-	4,542,782
Golf course	299,189	259,707	-	-	259,707
Geothermal	97,254	87,385	-	-	87,385
<b>Total business-type activities</b>	<b>6,685,244</b>	<b>7,730,437</b>	<b>-</b>	<b>163,666</b>	<b>7,894,103</b>
<b>Total primary government</b>	<b>\$ 15,191,743</b>	<b>\$ 8,356,600</b>	<b>\$ 1,373,417</b>	<b>\$ 1,088,109</b>	<b>\$ 10,818,126</b>

**General Revenues:**

Taxes:

Secured and unsecured property taxes

Sales and use taxes

Transient lodging taxes

Franchise taxes

Business license taxes

Other taxes

Property tax in lieu of VLF, unrestricted

Total taxes

Investment earnings, unrestricted

Transfers

**Total general revenues and transfers**

**Change in net position**

**Net position - beginning of year**

**Net position - end of year**

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (481,549)	\$ -	\$ (481,549)
(3,770,787)	-	(3,770,787)
(390,872)	-	(390,872)
(135,294)	-	(135,294)
(340,486)	-	(340,486)
(281,028)	-	(281,028)
(182,460)	-	(182,460)
(5,582,476)	-	(5,582,476)
-	(21,553)	(21,553)
-	605,095	605,095
-	674,668	674,668
-	(39,482)	(39,482)
-	(9,869)	(9,869)
-	1,208,859	1,208,859
(5,582,476)	1,208,859	(4,373,617)
942,800	-	942,800
2,145,343	-	2,145,343
520,158	-	520,158
26,211	-	26,211
200,760	-	200,760
48,364	-	48,364
1,545,612	-	1,545,612
5,429,248	-	5,429,248
63,022	118,413	181,435
134,583	(134,583)	-
5,626,853	(16,170)	5,610,683
44,377	1,192,689	1,237,066
(3,094,598)	8,032,056	4,937,458
\$ (3,050,221)	\$ 9,224,745	\$ 6,174,524

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Funds Financial Statements*

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## GOVERNMENTAL FUND FINANCIAL STATEMENTS

*General Fund* accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

*Gas Tax Fund* accounts for gas tax monies received from the State of California, which are used to construct and maintain streets, alleys, etc., and provide emergency snow-removal services within the City.

*Other Governmental Funds* is the aggregate of all the non-major governmental funds.

**City of Susanville**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	General Fund	Gas Tax Special Revenue Fund	Non-Major Governmental Funds	Totals
<b>ASSETS</b>				
Cash and investments	\$ 3,202,431	\$ 214,632	\$ 1,912,727	\$ 5,329,790
Restricted cash and investments held by fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Accounts receivable	602,524	183,818	41,657	827,999
Interest receivable	17,347	846	6,588	24,781
Prepaid expenditures	34,201	1,000	-	35,201
Inventory	21,989	-	-	21,989
Due from other funds	-	-	-	-
Loans receivable	53,803	-	1,273,522	1,327,325
<b>Total assets</b>	<b>\$ 3,932,295</b>	<b>\$ 400,296</b>	<b>\$ 3,234,494</b>	<b>\$ 7,567,085</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 351,107	\$ 565,693	\$ 9,910	926,710
Deposits payable	23,165	-	-	23,165
<b>Total liabilities</b>	<b>374,272</b>	<b>565,693</b>	<b>9,910</b>	<b>949,875</b>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	109,993	-	-	109,993
Restricted	18,615	-	2,676,344	2,694,959
Assigned	303,927	-	548,240	852,167
Unassigned	3,125,488	(165,397)	-	2,960,091
<b>Total fund balances</b>	<b>3,558,023</b>	<b>(165,397)</b>	<b>3,224,584</b>	<b>6,617,210</b>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<b>\$ 3,932,295</b>	<b>\$ 400,296</b>	<b>\$ 3,234,494</b>	<b>\$ 7,567,085</b>

See accompanying Notes to Basic Financial Statement:

# City of Susanville

## Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

### June 30, 2018

**Total Fund Balances - Total Governmental Funds** \$ 6,617,210

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

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

Non-depreciable	\$	3,585,211
Depreciable, net		638,720
Total capital assets		4,223,931

Unavailable revenue recorded in the fund financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the Government-Wide Financial Statements.

-

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.

(24,079)

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.

641,320

Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statement these contributions are deferred.

763,136

In the Government-Wide Financial Statements certain differences between actuarial estimates and actual results for pension and other employer specific items are deferred and amortized over a period of time, however in the governmental funds no transactions are recorded.

Deferred outflows of resources - pension		2,241,829
Deferred inflows of resources - pension		(1,013,353)

Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt.

46,608

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Sick leave conversion payable - due within one year	(6,144)	6,144	-
Compensated absences - due within one year	(56,635)	6,888	(49,747)
Sick leave conversion payable - due in more than one year	(18,265)	18,265	-
Compensated absences - due in more than one year	(174,531)	16,998	(157,533)
Net pension liability	(10,078,701)	-	(10,078,701)
Bonds payable - due within one year	(430,915)	-	(430,915)
Bonds payable - due in more than one year	(5,829,927)	-	(5,829,927)
Total long-term liabilities	\$ (16,595,118)	\$ 48,295	(16,546,823)

**Net Position of Governmental Activities** \$ (3,050,221)

See accompanying Notes to Basic Financial Statements.

**City of Susanville**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2018**

	General Fund	Gas Tax Special Revenue Fund	Non-Major Governmental Funds	Totals
<b>REVENUES:</b>				
Taxes and assessments	\$ 5,493,736	\$ -	\$ -	\$ 5,493,736
Licenses and permits	114,154	-	-	114,154
Fines and forfeitures	66,851	-	12,318	79,169
Use of money and property	64,017	11,316	19,322	94,655
Intergovernmental revenues	833,764	1,240,488	228,630	2,302,882
Program income	-	-	20,000	20,000
Charges for services	307,048	-	405	307,453
Other revenues	7,363	121	54,523	62,007
<b>Total revenues</b>	<b>6,886,933</b>	<b>1,251,925</b>	<b>335,198</b>	<b>8,474,056</b>
<b>EXPENDITURES:</b>				
Current:				
General government	1,028,544	-	-	1,028,544
Public safety	4,162,965	-	136,524	4,299,489
Streets	-	1,716,001	18,311	1,734,312
Protective inspections	258,145	-	-	258,145
Community services	427,010	-	-	427,010
Community development	104,033	-	183,292	287,325
Capital outlay	3,305	-	47,402	50,707
Debt service:				
Principal	-	-	424,876	424,876
Interest and fiscal charges	-	-	182,421	182,421
<b>Total expenditures</b>	<b>5,984,002</b>	<b>1,716,001</b>	<b>992,826</b>	<b>8,692,829</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>902,931</b>	<b>(464,076)</b>	<b>(657,628)</b>	<b>(218,773)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	58,829	139,488	1,003,203	1,201,520
Transfers out	(680,396)	(12,684)	(373,857)	(1,066,937)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(621,567)</b>	<b>126,804</b>	<b>629,346</b>	<b>134,583</b>
<b>Net change in fund balances</b>	<b>281,364</b>	<b>(337,272)</b>	<b>(28,282)</b>	<b>(84,190)</b>
<b>FUND BALANCES:</b>				
Beginning of year	3,276,659	171,875	3,252,866	6,701,400
End of year	<u>\$ 3,558,023</u>	<u>\$ (165,397)</u>	<u>\$ 3,224,584</u>	<u>\$ 6,617,210</u>

See accompanying Notes to Basic Financial Statements.

# City of Susanville

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities For the year ended June 30, 2018

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ (84,190)
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Amounts reported for governmental activities in the Statement of Activities were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	76,847
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	(142,710)
Accrued compensated leave payable was an expenditure in governmental funds, but the accrued payable increased compensated leave liabilities in the Government-Wide Statement of Net Position.	16,524
Bond proceeds provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	424,876
Long-term debt repayments	424,876
Revenues that did not meet the revenue recognition criteria in the governmental funds but were recognized as revenue in the Government-Wide Financial Statements.	(64,488)
Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt.	(5,179)
Interest expense on long-term debt is reported on the accrual basis on the Government-Wide Statements, but expenditures on long-term debt in the governmental funds statements are recorded when paid. The following amount represents the change in accrued interest from the prior year.	5,921
Current year employer pension contributions are recorded as expenditures in the governmental funds, however these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	763,136
Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however pension expense is not recognized in the governmental funds.	(1,121,843)
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	<u>175,483</u>
<b>Change in Net Position of Governmental Activities</b>	<u>\$ 44,377</u>

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## PROPRIETARY FUND FINANCIAL STATEMENTS

*Water Fund* accounts for the activities of providing water to the residents of the City

*Natural Gas Fund* accounts for the activities of providing natural gas to the residents of the City

*Other Enterprise Funds* is the aggregate of all the non-major enterprise funds.

*Internal Service Funds* are used to account for the financial transactions related to the City's public works and engineering program, payroll, and risk management program. These services are provided to other departments or agencies of the City on a cost reimbursement basis

**City of Susanville**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	Major Enterprise Funds		Total	Totals
	Water Fund	Natural Gas Fund	Non-Major Enterprise Funds	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 3,606,095	\$ 5,310,075	\$ 258,802	\$ 9,174,972
Accounts receivable	406,210	220,246	42,706	669,162
Interest receivable	17,803	22,009	1,252	41,064
Prepaid expenses	2,549	3,182	439	6,170
Inventory	24,325	26,790	1,315	52,430
<b>Total current assets</b>	<b>4,056,982</b>	<b>5,582,302</b>	<b>304,514</b>	<b>9,943,798</b>
Noncurrent assets:				
Cash and investments with fiscal agents	644,090	1,808,931	-	2,453,021
Prepaid bond insurance	78,733	-	-	78,733
Capital assets:				
Non-depreciable, net	1,624,690	-	2,701,682	4,326,372
Depreciable, net	5,721,168	17,503,929	2,171,377	25,396,474
<b>Total capital assets</b>	<b>7,345,858</b>	<b>17,503,929</b>	<b>4,873,059</b>	<b>29,722,846</b>
<b>Total noncurrent assets</b>	<b>8,068,681</b>	<b>19,312,860</b>	<b>4,873,059</b>	<b>32,254,600</b>
<b>Total assets</b>	<b>12,125,663</b>	<b>24,895,162</b>	<b>5,177,573</b>	<b>42,198,398</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred loss on refunding	615,622	-	-	615,622
Deferred employer pension contributions	48,290	54,326	-	102,616
Deferred outflows of resources - pension	141,859	159,591	-	301,450
<b>Total deferred outflow of resources</b>	<b>805,771</b>	<b>213,917</b>	<b>-</b>	<b>1,019,688</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	162,575	14,816	43,489	220,880
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Accrued interest	37,776	114,371	-	152,147
Deposits payable	60,077	166,545	-	226,622
Unearned revenue	-	-	28,072	28,072
Sick leave conversion payable - due within one year	-	-	-	-
Compensated absences - due within one year	8,889	7,952	-	16,841
Notes payable - due within one year	18,000	-	-	18,000
Revenue bonds payable - due within one year	285,000	330,000	-	615,000
<b>Total current liabilities</b>	<b>572,317</b>	<b>633,684</b>	<b>71,561</b>	<b>1,277,562</b>
Noncurrent liabilities:				
Sick leave conversion payable - due in more than one year	-	-	-	-
Compensated absences - due in more than one year	28,148	25,180	-	53,328
Net pension liability	637,762	717,480	-	1,355,242
Notes payable - due in more than one year	775,000	-	-	775,000
Revenue bonds payable - due in more than one year	7,230,000	23,165,949	-	30,395,949
<b>Total noncurrent liabilities</b>	<b>8,670,910</b>	<b>23,908,609</b>	<b>-</b>	<b>32,579,519</b>
<b>Total liabilities</b>	<b>9,243,227</b>	<b>24,542,293</b>	<b>71,561</b>	<b>33,857,081</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pension	64,123	72,137	-	136,260
<b>Total deferred inflows of resources</b>	<b>64,123</b>	<b>72,137</b>	<b>-</b>	<b>136,260</b>
<b>NET POSITION</b>				
Net investment in capital assets	(346,520)	(5,992,020)	4,873,059	(1,465,481)
Restricted for debt service	644,090	1,808,931	-	2,453,021
Unrestricted	3,326,514	4,677,738	232,953	8,237,205
<b>Total net position</b>	<b>\$ 3,624,084</b>	<b>\$ 494,649</b>	<b>\$ 5,106,012</b>	<b>\$ 9,224,745</b>

See accompanying Notes to Basic Financial Statements.



**City of Susanville**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2018**

	Major Enterprise Funds		Total	Totals
	Water Fund	Natural Gas Fund	Non-Major Enterprise Funds	
<b>OPERATING REVENUES:</b>				
Sales and charges for services	\$ 2,750,970	\$ 4,542,332	\$ 436,220	\$ 7,729,522
<b>Total operating revenues</b>	<u>2,750,970</u>	<u>4,542,332</u>	<u>436,220</u>	<u>7,729,522</u>
<b>OPERATING EXPENSES:</b>				
Direct:				
Purchase of natural gas	-	795,861	-	795,861
Administration	738,268	729,471	361,183	1,828,922
Insurance costs and claims	-	-	-	-
Depreciation and amortization	425,429	407,297	188,712	1,021,438
<b>Total direct operating expenses</b>	<u>1,163,697</u>	<u>1,932,629</u>	<u>549,895</u>	<u>3,646,221</u>
Indirect:				
Overhead allocation	590,346	552,036	119,520	1,261,902
Total indirect operating expenses	590,346	552,036	119,520	1,261,902
<b>Total operating expenses</b>	<u>1,754,043</u>	<u>2,484,665</u>	<u>669,415</u>	<u>4,908,123</u>
<b>OPERATING INCOME (LOSS):</b>	<u>996,927</u>	<u>2,057,667</u>	<u>(233,195)</u>	<u>2,821,399</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest income	51,705	63,352	3,356	118,413
Interest expense and fiscal charges	(392,215)	(1,383,449)	(1,457)	(1,777,121)
Reimbursements	383	450	82	915
<b>Total nonoperating revenues (expenses)</b>	<u>(340,127)</u>	<u>(1,319,647)</u>	<u>1,981</u>	<u>(1,657,793)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>656,800</u>	<u>738,020</u>	<u>(231,214)</u>	<u>1,163,606</u>
Capital contributions	-	-	163,666	163,666
Transfers in	-	-	118,472	118,472
Transfers out	(133,812)	(119,243)	-	(253,055)
<b>Total transfers</b>	<u>(133,812)</u>	<u>(119,243)</u>	<u>118,472</u>	<u>(134,583)</u>
<b>Change in net position</b>	<u>522,988</u>	<u>618,777</u>	<u>50,924</u>	<u>1,192,689</u>
<b>NET POSITION:</b>				
Beginning of year	3,101,096	(124,128)	5,055,088	8,032,056
End of year	<u>\$ 3,624,084</u>	<u>\$ 494,649</u>	<u>\$ 5,106,012</u>	<u>\$ 9,224,745</u>

See accompanying Notes to Basic Financial Statements.



Governmental  
Activities  
Internal  
Service Funds

\$ 1,562,003

1,562,003

-

982,673

410,571

-

1,393,244

-

-

1,393,244

168,759

6,724

-

-

6,724

175,483

-

-

-

-

-

175,483

465,837

\$ 641,320

**City of Susanville**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2018**

	Major Enterprise Funds		Total Non-Major Enterprise Funds	Totals
	Water Fund	Natural Gas Fund		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 2,853,507	\$ 4,574,366	\$ 412,008	\$ 7,839,881
Payments to suppliers and users	(446,817)	(1,410,633)	(93,903)	(1,951,353)
Payments to employees	(709,741)	(700,962)	(361,183)	(1,771,886)
<b>Net cash provided by (used in) operating activities</b>	<b>1,696,949</b>	<b>2,462,771</b>	<b>(43,078)</b>	<b>4,116,642</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash receipts from other funds	-	-	118,472	118,472
Cash payments to other funds	(133,812)	(119,243)	(76,244)	(329,299)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(133,812)</b>	<b>(119,243)</b>	<b>42,228</b>	<b>(210,827)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets	(796,981)	(39,053)	(163,528)	(999,562)
Capital grants received	383	450	163,748	164,581
Interest paid	(337,205)	(1,384,449)	(1,457)	(1,723,111)
Principal payments - long-term debt	(292,000)	(299,980)	-	(591,980)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(1,425,803)</b>	<b>(1,723,032)</b>	<b>(1,237)</b>	<b>(3,150,072)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	41,633	51,861	2,682	96,176
<b>Net cash provided by investing activities</b>	<b>41,633</b>	<b>51,861</b>	<b>2,682</b>	<b>96,176</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>178,967</b>	<b>672,357</b>	<b>595</b>	<b>851,919</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	4,071,218	6,446,649	258,207	10,776,074
End of year	<u>\$ 4,250,185</u>	<u>\$ 7,119,006</u>	<u>258,802</u>	<u>\$ 11,627,993</u>
<b>FINANCIAL STATEMENT PRESENTATION:</b>				
Cash and investments	\$ 3,606,095	\$ 5,310,075	258,802	\$ 9,174,972
Restricted cash and investments	644,090	1,808,931	-	2,453,021
<b>Total</b>	<u>\$ 4,250,185</u>	<u>\$ 7,119,006</u>	<u>258,802</u>	<u>\$ 11,627,993</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>				
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income	\$ 996,927	\$ 2,057,667	(233,195)	\$ 2,821,399
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	425,429	407,297	188,712	1,021,438
Changes in assets and liabilities:				
Accounts receivable	104,649	28,327	(9,570)	123,406
Prepaid expenses	(1,624)	(2,455)	2,888	(1,191)
Inventory	(1,035)	(5,515)	2,106	(4,444)
Accounts payable	146,188	(54,766)	20,623	112,045
Accrued wages	-	-	-	-
Deposits payable	(2,112)	3,707	-	1,595
Unearned revenue	-	-	(14,642)	(14,642)
Deferred employer pension contributions	(966)	(1,086)	-	(2,052)
Deferred outflows of resources - pension	(57,584)	(64,783)	-	(122,367)
Net pension liability	106,743	120,084	-	226,827
Deferred inflows of resources - pension	(18,084)	(20,347)	-	(38,431)
Compensated absences	(1,582)	(5,359)	-	(6,941)
Early retirement incentive	-	-	-	-
Other postemployment benefits payable	-	-	-	-
<b>Total adjustments</b>	<b>700,022</b>	<b>405,104</b>	<b>190,117</b>	<b>1,295,243</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,696,949</b>	<b>\$ 2,462,771</b>	<b>(43,078)</b>	<b>\$ 4,116,642</b>

See accompanying Notes to Basic Financial Statements.

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Governmental  
Activities  
Internal  
Service Funds

\$ 1,495,800  
(412,121)  
(894,121)  
189,558

-  
-  
-

-  
-  
-

5,363  
5,363

194,921

622,302  
817,223

\$ 817,223  
-  
\$ 817,223

\$ 168,759

-  
(66,203)  
573  
-  
(2,123)  
113,563

-  
-  
-  
-  
-

(4,812)  
(13,432)  
(6,767)  
20,799  
189,558

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## FIDUCIARY FUND FINANCIAL STATEMENTS

*Section 125 Aflac/Wageworks* accounts for agency activities for Section 125 Aflac activities.

*LAFCO Fund* accounts for agency activities for the Local Agency Formation Commission.

*HUSA Busines Improvement Fund* accounts for agency activities for Historic Uptown Susanville Association.

*Air Pollution District Fund* accounts for agency activities for the Air Pollution District.

*IRWMG Fund* accounts for agency activities for the Integrated Regional Water Management Group

**City of Susanville**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	Agency Funds					Totals
	Section 125	LAFCO	HUSA Business	Air	IRWMG	
	Aflac/ Wageworks	Fund	Improvement Fund	Pollution District Fund	Fund	
<b>ASSETS</b>						
Cash and investments	\$ 1,471	\$ 34,283	\$ 10,642	\$ 484,487	\$ (803)	\$ 530,080
Accounts receivable	-	-	4,154	31,618	-	35,772
Interest receivable	-	199	-	1,958	-	2,157
Prepaid expenses	-	925	-	-	-	925
<b>Total assets</b>	<b>\$ 1,471</b>	<b>\$ 35,407</b>	<b>\$ 14,796</b>	<b>\$ 518,063</b>	<b>\$ (803)</b>	<b>\$ 568,934</b>
<b>LIABILITIES</b>						
<b>Liabilities:</b>						
Accounts payable	-	7,089	136	1,499	-	8,724
Deposits payable	1,471	28,318	14,660	516,564	(803)	560,210
<b>Total liabilities</b>	<b>\$ 1,471</b>	<b>\$ 35,407</b>	<b>\$ 14,796</b>	<b>\$ 518,063</b>	<b>\$ (803)</b>	<b>\$ 568,934</b>

See accompanying Notes to Basic Financial Statements.

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# NOTES TO BASIC FINANCIAL STATEMENTS

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**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Financial Reporting Entity**

The City of Susanville (City) was incorporated in 1900, and provides the following services: public safety, including police and fire; building inspection; parks and streets; water; geothermal; natural gas; leisure services; planning and zoning; and general administration services.

These basic financial statements present the City and its component units; entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. The City had no discretely presented component units. Each blended component unit has a June 30 year-end. The following entity is reported as a blended component unit:

The City of Susanville Public Financing Authority (Authority) was established solely to assist the City in the issuance of certain revenue bonds. It is controlled by and financially dependent on the City; its financial activities were accounted for as part of the respective funds.

**B. Basis of Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets; liabilities, fund equity, revenues and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Government-Wide Financial Statements**

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column.

These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liabilities are incurred.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

***B. Basis of Accounting and Measurement Focus, Continued***

**Government-Wide Financial Statements, Continued**

Certain types of transactions reported as program revenues for the City are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Transfers in/out

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect).

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that meet specific qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**B. Basis of Accounting and Measurement Focus, Continued**

**Governmental Fund Financial Statements, Continued**

The City reports the following funds as major governmental funds of the City.

General Fund accounts for resources traditionally associated with governmental activities that are not required legally or by sound financial management to be accounted for in another fund.

Gas Tax Special Revenue Fund accounts for gas tax monies received from the State of California

The City reports the following governmental funds as non-major governmental funds of the City.

Local Law Enforcement Block Grant Special Revenue Fund accounts for a State grant issued to fund a Police Sergeant's position to supplement the number of personnel assigned to provide law enforcement services to the City.

Street, Police, and Fire Mitigation Special Revenue Funds account for fees collected from new developments within the City used for the purchase and maintenance of vehicles, equipment, and various facilities.

Park Land In-Lieu Special Revenue Fund accounts for fees collected from new developments within the City, which are used to purchase necessary equipment and land to maintain and expand the City's parks.

State Revolving Loan Special Revenue Fund accounts for program income received from Community Development Block Grant loans given for housing rehabilitation, Façade improvement, business assistance, and first-time home buyers loan re-payments, that is then re-issued in the form of new loans.

HOME Revolving Special Revenue Fund accounts for program income received from the Façade improvement, business assistance, and first-time home buyers loan re-payments, which are re-issued in the form of new loans.

Traffic Safety Special Revenue Fund accounts for a portion of fines and forfeitures received by the City for any arrests by a City Officer under VC 42200 that is used for the purchase and maintenance of equipment associated with Traffic Law Enforcement.

Skyline Bicycle Lane Special Revenue Fund account for fees collected from new developments within the Skyline area to be used for the installation and maintenance of traffic signals, parks and parkways.

State of California Prop 30 AB109 Special Revenue Fund accounts for expenditures funded by Proposition 30 AB109 revenues.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**B. Basis of Accounting and Measurement Focus, Continued**

**Governmental Fund Financial Statements, Continued**

Traffic Signals Fund account for fees collected from new developments with the Skyline area to be used for the installation and maintenance of traffic signals.

CDBG Fund accounts for amounts restricted for the City's Community Development Block Grant programs.

Road Fund accounts for amounts set aside for basic road maintenance, rehabilitation, and safety projects on the local streets and road system.

City Hall Debt Service Fund accounts for debt service payments on bond issued to remodel the City Hall.

Mark Roos 92B Debt Service Fund accounts for assessments collected from homebuyers within Miller/Fletcher Housing Development that are used to repay the bond that was issued in 1992 to install the infrastructure within this development.

Side Fund Debt Service Fund accounts for debt service payments on the 2013 CalPERS Refunding Loan that was used to refund the City's CalPERS Side Fund obligations.

Community Swimming Pool Debt Service Fund accounts for debt service payments on the Community Swimming Pool Loan that was used to finance a portion of the costs of the construction of a community swimming pool and related costs and improvements there to by the Honey Lake Valley Recreational Authority.

City Hall Parking Lot Project Fund accounts for amounts set aside for the City's City Hall Parking Lot Project.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally those received 60 days after year-end) are recognized when due. The primary revenue sources that have been treated as susceptible to accrual by the City are property taxes, taxpayer-assessed tax revenues (sales taxes, transient occupancy taxes, franchise taxes, etc.), grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**B. Basis of Accounting and Measurement Focus, Continued**

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports the Water, Natural Gas, Airport, Geothermal, Golf Course and Internal Service Funds as proprietary funds of the City. The City reports the following enterprise funds as major:

Water Fund accounts for the activities of providing water to the residents of the City.

Natural Gas Fund accounts for the activities of providing natural gas to the residents of the City.

The City reports the following enterprise funds as non-major enterprise funds of the City:

Airport Fund accounts for the activities of the City’s airport.

Golf Course Fund accounts for the activities of the City’s golf course.

Geothermal Fund accounts for the activities of providing geothermal heat to the residents of the City.

Internal service fund balances and activities have been combined with governmental activities in the Government-Wide Financial Statements, and are comprised of the following funds:

Public Works Administration Fund accounts for all the City’s public works administration activities.

Risk Administration Fund accounts for the City’s administration activities.

Retirement Benefits Fund accounts for expenses related to other postemployment benefit costs.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

***B. Basis of Accounting and Measurement Focus, Continued***

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds are agency funds used to account for assets held by the City as an agent for individuals, private organizations, and other governmental units. The City maintains four agency funds - HUSA Business Improvement, Section 125 Aflac/Wageworks, LAFCO, Air Pollution District, and IRWMG.

GASB Statement No. 34 defines major funds and requires that the City's major governmental funds and major proprietary funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

***C. Cash, Cash Equivalents, and Investments***

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, 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. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are measured using Level 3 inputs.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

*C. Cash, Cash Equivalents, and Investments, Continued*

The City participates in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled 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 the change in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "Cash and Investments" in the accompanying Basic Financial Statements.

For the purpose of the statement of cash flows, the City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

*D. Restricted Cash and Investments*

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects. Cash and investments are also restricted for deposits held for others within the enterprise funds.

*E. Compensated Absences*

In compliance with Governmental Accounting Standards Board Statement No. 16, the City has established a liability for accrued compensatory and vacation time in relevant funds. For governmental type funds, the current liability appears in the respective funds. All vacation is accrued when incurred in the government-wide and proprietary funds financial statements. This liability is set up for the current employees at the current rates of pay. If compensatory and vacation time are not used by the employee during the term of employment, compensation is payable to the employee at the time of retirement. Such compensation is calculated at the employee's prevailing rate at the time of retirement or termination. Each fiscal year, an adjustment to the liability is made based on pay rate changes and adjustments for the current portion. The General Fund is primarily responsible for the repayment of the governmental portion of compensated absences.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

*F. Property Taxes*

California Constitution Article XIII A, limits the combined property tax rate to one percent of a property’s assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property’s fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership occurs.

The state legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions. Property tax revenues are recognized in the fiscal year for which taxes have been levied and collected within sixty days of fiscal year end. Property taxes are billed and collected as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/Lien Date(s)	January 1	January 1
Levy Date(s)	July 1	July 1
Due Date(s)	November 1 (50%)	August 1
February 1 (50%)		
Delinquency Date(s)	December 10 (Nov.) April 10 (Feb.)	August 31

*G. Capital Assets*

All capital assets are valued at historical cost or estimated historical cost if actual historical costs are not available. Contributed capital assets are valued acquisition value on the date contributed. The City’s policy is to capitalize all assets with costs exceeding \$5,000 and with useful lives exceeding two years.

As required under GASB Statement No. 34, phase III governments were required to report the cost and accumulated depreciation of infrastructure as of June 30, 2008. Phase III governments also had the option of reporting all infrastructure assets acquired prior to July 1, 2004, but were required to report all infrastructure assets acquired on July 1, 2004 and thereafter. The City has elected not to report infrastructure acquired prior to July 1, 2004 and has not had any infrastructure acquisitions or contributions/donations since that time.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

Buildings	20-40	Years
Improvements	10-45	Years
Equipment	2-15	Years
Parks	20	Years

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**H. Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB, require management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**I. Inventory**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of supplies are expended when purchased because the amounts are not considered to be material. Inventories of governmental funds are recorded as expenditures when used or consumed.

**J. 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.

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.

**K. Pensions**

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

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**L. New Pronouncements**

In 2018, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – The objective of this statement is to address reporting by governments that provide other postemployment benefits (OPEB) to their employees and for governments that finance OPEB for employees of other governments.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements* – This objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 85, *Omnibus 2017* – The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and other postemployment benefits (OPEB). There was no effect on net position as a result of implementation of this statement.
- GASB Statement No. 86, *Certain Debt Extinguishment Issues* – The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement did not apply to the City for the current fiscal year.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**2. CASH AND INVESTMENTS**

Cash and investment within the basic financial statements are reported as:

	Government-Wide Statement of Net Position			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and investments	\$ 6,147,013	\$ 9,174,972	\$ 530,080	\$ 15,852,065
Restricted cash and investments	-	2,453,021	-	2,453,021
<b>Total cash and investments</b>	<b>\$ 6,147,013</b>	<b>\$ 11,627,993</b>	<b>\$ 530,080</b>	<b>\$ 18,305,086</b>

Cash and investment as of June 30, 2018 consist of the following:

Cash on hand	\$ 1,050
Deposits with financial institution	277,744
Local Agency Investment funds	15,573,271
<b>Total City Treasury</b>	<b>\$ 15,852,065</b>
Restricted cash and investments	2,453,021
<b>Total cash and investments</b>	<b>\$ 18,305,086</b>

**A. Deposits**

The carrying amount of the City's cash deposit was a positive amount of \$277,744 at June 30, 2018. Bank balances before reconciling items were \$440,158 at June 30, 2018. The City has waived the collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

The California Government Code (Code) requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**2. CASH AND INVESTMENTS, CONTINUED**

**A. Deposits, Continued**

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**B. Investments Authorized by the California Government Code and the City's Investment Policy**

The table below identifies the investment types that are authorized for the City of Susanville by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of 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. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage/ Amount of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	\$50 million	\$50 million
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	None	None
Insured Deposits with Banks and Savings and Loans	N/A	None	None
Bankers Acceptance (must be dollar denominated)	6 months	30%	None
Commercial Paper	6 months	15%	None
Negotiable Time Certificates of Deposit	6 months	30%	None
Non-negotiable Time Certificates of Deposit	1 year	20%	None
Federally Insured Time Deposits	1 year	20%	None

Investments are stated at fair value using the aggregate method in all funds, resulting in the following investment income in all funds:

Interest income	\$ 193,914
Unrealized gain in changes in fair value of investments	<u>(6,746)</u>
<b>Total investment income</b>	<u><u>\$ 187,168</u></u>

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**2. CASH AND INVESTMENTS,**

***B. Investments Authorized by the California Government Code and the City's Investment Policy, Continued***

The City's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. Generally the City's practice is to buy and hold investments until maturity dates. Consequently, the City's investments are carried at fair value.

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2018, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes - are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2018, the City had \$15,573,271 invested in LAIF, which had invested 2.67% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.89% in the previous year. The LAIF fair value factor of 0.998126869 was used to calculate the fair value of the investments in LAIF.

***C. Investments Authorized by Debt Agreements***

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**2. CASH AND INVESTMENTS, CONTINUED**

*D. Disclosures Relating to 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 flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Totals	Remaining Maturity (in Months)					
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months
State Pool	\$ 15,573,271	\$ 15,573,271	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 15,573,271</u>	<u>\$ 15,573,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*E. Disclosures Relating to Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End	
				Not Rated	
State Pool	\$ 15,573,271	N/A	\$ -	\$ 15,573,271	
Total	<u>\$ 15,573,271</u>		<u>\$ -</u>	<u>\$ 15,573,271</u>	

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**2. CASH AND INVESTMENTS, Continued**

*F. Concentration of Credit Risk*

The City's investment policy contains certain limitations on the amount that can be invested in any one issuer. There were no investments other than the State Investment Pool in any issuer that represents 5% or more of the City's total investments as of June 30, 2018

*G. Custodial Credit Risk*

The custodial credit risk for an investment 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 possession of an outside party. None of the City's investments were subject to custodial credit risk.

*H. Investment Valuation*

Investments (except money market accounts that are included as part of restricted cash and investments) are measured at fair value on a recurring basis. *Recurring* fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements at June 30, 2018 are described below:

Investment Type	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
None	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	-	\$ -	\$ -	\$ -
<u>Investments not subject to levelling:</u>				
State Investment Pool	15,573,271			
<b>Total</b>	<u>\$ 15,573,271</u>			

The State Investment Pool was exempt from levelling disclosure.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**3. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Governmental Activities</b>				
Nondepreciable capital assets:				
Land	\$ 3,578,711	\$ 6,500	\$ -	\$ 3,585,211
Total nondepreciable capital assets	3,578,711	6,500	-	3,585,211
Depreciable capital assets:				
Buildings	1,092,436	-	-	1,092,436
Machinery and equipment	2,870,105	70,347	-	2,940,452
Other improvements	2,365,050	-	-	2,365,050
Total depreciable capital assets	6,327,591	70,347	-	6,397,938
Less accumulated depreciation	(5,616,508)	(142,710)	-	(5,759,218)
Net depreciable capital assets	711,083	(72,363)	-	638,720
Net capital assets	\$ 4,289,794	\$ (65,863)	\$ -	\$ 4,223,931

	Balance July 1, 2017	Additions	Deletions or Transfer	Balance June 30, 2018
<b>Business-type Activities</b>				
Nondepreciable capital assets:				
Land	\$ 3,423,604	\$ -	\$ -	\$ 3,423,604
Construction in progress	77,734	825,034	-	902,768
Total nondepreciable capital assets	3,501,338	825,034	-	4,326,372
Depreciable capital assets:				
Infrastructure	26,770,473	22,249	-	26,792,722
Buildings	862,483	-	-	862,483
Machinery and equipment	4,865,811	96,326	-	4,962,137
Other improvements	9,855,331	-	-	9,855,331
Total depreciable capital assets	42,354,098	118,575	-	42,472,673
Less accumulated depreciation	(16,122,511)	(953,688)	-	(17,076,199)
Net depreciable capital assets	26,231,587	(835,113)	-	25,396,474
Net capital assets	\$ 29,732,925	\$ (10,079)	\$ -	\$ 29,722,846

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**3. CAPITAL ASSETS, Continued**

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Business-type Activities</b>				
<b>Water</b>				
Nondepreciable capital assets:				
Land	\$ 963,184	\$ -	\$ -	\$ 963,184
Construction in progress	-	661,506	-	661,506
Total nondepreciable capital assets	963,184	661,506	-	1,624,690
Depreciable capital assets:				
Infrastructure	4,112,864	-	-	4,112,864
Buildings	315,266	-	-	315,266
Machinery and equipment	3,883,888	79,542	-	3,963,430
Other improvements	6,406,192	-	-	6,406,192
Total depreciable capital assets	14,718,210	79,542	-	14,797,752
Less accumulated depreciation	(8,707,088)	(369,496)	-	(9,076,584)
Net depreciable capital assets	6,011,122	(289,954)	-	5,721,168
Net capital assets	\$ 6,974,306	\$ 371,552	\$ -	\$ 7,345,858
	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Business-type Activities</b>				
<b>Natural Gas</b>				
Depreciable capital assets:				
Infrastructure	\$ 22,657,608	\$ 22,249	\$ -	\$ 22,679,857
Machinery and equipment	384,365	16,784	-	401,149
Total depreciable capital assets	23,041,973	39,033	-	23,081,006
Less accumulated depreciation	(5,181,597)	(395,480)	-	(5,577,077)
Net depreciable capital assets	17,860,376	(356,447)	-	17,503,929
Net capital assets	\$ 17,860,376	\$ (356,447)	\$ -	\$ 17,503,929

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**3. CAPITAL ASSETS, Continued**

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Business-type Activities</b>				
<b>Airport</b>				
Nondepreciable capital assets:				
Land	\$ 43,189	\$ -	\$ -	\$ 43,189
Construction in progress	77,734	163,528	-	241,262
Total nondepreciable capital assets	120,923	163,528	-	284,451
Depreciable capital assets:				
Buildings	166,873	-	-	166,873
Machinery and equipment	290,969	-	-	290,969
Other improvements	3,235,612	-	-	3,235,612
Total depreciable capital assets	3,693,454	-	-	3,693,454
Less accumulated depreciation	(1,649,440)	(164,205)	-	(1,813,645)
Net depreciable capital assets	2,044,014	(164,205)	-	1,879,809
Net capital assets	\$ 2,164,937	\$ (677)	\$ -	\$ 2,164,260
	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Golf Course</b>				
Nondepreciable capital assets:				
Land	\$ 2,168,107	\$ -	\$ -	\$ 2,168,107
Total nondepreciable capital assets	2,168,107	-	-	2,168,107
Depreciable capital assets:				
Buildings	355,492	-	-	355,492
Machinery and equipment	77,923	-	-	77,923
Other improvements	170,774	-	-	170,774
Total depreciable capital assets	604,189	-	-	604,189
Less accumulated depreciation	(331,664)	(21,797)	-	(353,461)
Net depreciable capital assets	272,525	(21,797)	-	250,728
Net capital assets	\$ 2,440,632	\$ (21,797)	\$ -	\$ 2,418,835

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**3. CAPITAL ASSETS, Continued**

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

<b>Geothermal</b>	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Nondepreciable capital assets:</b>				
Land	\$ 249,124	\$ -	\$ -	\$ 249,124
Total nondepreciable capital assets	249,124	-	-	249,124
<b>Depreciable capital assets:</b>				
Buildings	24,852	-	-	24,852
Other Improvements	42,754	-	-	42,754
Machinery and equipment	228,666	-	-	228,666
Total depreciable capital assets	296,272	-	-	296,272
Less accumulated depreciation	(252,722)	(2,710)	-	(255,432)
Net depreciable capital assets	43,550	(2,710)	-	40,840
Net capital assets	\$ 292,674	\$ (2,710)	\$ -	\$ 289,964

Depreciation Allocations

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program was as follows:

<b>Governmental Activities:</b>	
General government	\$ 16,046
Public safety	85,893
Streets	30,511
Protective inspections	-
Community services	<u>10,260</u>
Total Depreciation Expense-Governmental Activities	<u>\$ 142,710</u>
<b>Business-type Activities:</b>	
Water	\$ 369,496
Natural Gas	395,480
Airport	164,205
Geothermal	2,710
Golf Course	<u>21,797</u>
Total Depreciation Expense-Business-type Activities	<u>\$ 953,688</u>

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**4. INTERFUND TRANSFERS**

**Interfund transfers:**

	Transfers Out					Total
	General Fund	Gas Tax Fund	Gov't Funds	Water Fund	Natural Gas Fund	
<b>Transfers In</b>						
Major Govtl Funds						
General Fund	\$ -	\$ -	\$ 53,826	\$ 5,000	\$ -	\$ 58,826
Gas Tax Fund	-	-		69,744	69,744	139,488
Non-major						
Govtl Funds	561,924	12,684	320,031	59,064	49,500	1,003,203
Non-major						
Ent. Funds	118,472	-	-	-	-	118,472
<b>Total</b>	<b>\$ 680,396</b>	<b>\$ 12,684</b>	<b>\$ 373,857</b>	<b>\$ 133,808</b>	<b>\$ 119,244</b>	<b>\$ 1,319,989</b>

In general, the City uses interfund transfers to (1) move revenues from the funds that collect them to the funds that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to help finance various programs and capital projects accounted for in other funds in accordance with budgetary authorization, and (3) move cash to debt service funds from the funds responsible for payment as debt service payments become due. The transfer from the Water Fund and Natural Gas Fund to the Gas Tax Fund were for street repairs after utility work was performed on the roadway. The transfer from the AB109 Fund (Nonmajor governmental fund) to the General Fund was to fund police activities.

**5. LOANS RECEIVABLE**

The following schedule summarizes notes and loans receivables as of June 30, 2018:

<i>General Fund</i>	
EDBG Business Assistance Program	\$ 53,803
Total General Fund	<u>53,803</u>
<i>Non-Major Governmental Funds</i>	
State Revolving Fund Loan Program	946,997
HOME Revolving Fund Loan Program	<u>326,525</u>
Total Non-Major Governmental Funds	<u>1,273,522</u>
<b>Total loans receivable</b>	<b><u><u>\$ 1,327,325</u></u></b>

EDBG Business Assistance Program - The Economic Development Block Grant (EDBG) business assistance loan program provides loans for small business loans. The outstanding balances of these loans were \$53,803 as of June 30, 2018.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**5. LOANS RECEIVABLE, Continued**

State Revolving Loan Program - The State Revolving Loan Program provides loans to eligible low income qualifying residents. Loans include first time homebuyer loans and loans for housing rehabilitation. Loan repayments are restricted to be used for the program. Loans are secured by a lien against the borrower's property and the loans are deferred until the resident moves out of the property, sell the property, or otherwise violates the provisions of the loan. The outstanding balances of these loans were \$946,997 as of June 30, 2018.

HOME Revolving Loan Program - The HOME Revolving Loan Program provides loans to eligible low income qualifying residents. Loans include loans for housing rehabilitation. Funding for this program is provided through the State of California HOME program. Loan repayments are restricted to be used for the program. Loans are secured by a lien against the borrower's property and the loans are deferred until the resident moves out of the property, sell the property, or otherwise violates the provisions of the loan. The outstanding balances of these loans were \$326,525 as of June 30, 2018.

**6. LONG-TERM DEBT**

**A. Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2018, was as follows:

	July 1, 2017 Balance	Additions	Reductions	June 30, 2018 Balance	Due Within One Year	Due in More Than One Year
<b>Governmental activities:</b>						
Bonds payable:						
1992 Revenue Bond	\$ 140,000	\$ -	\$ (140,000)	\$ -	\$ -	\$ -
2012 Lease Financing	1,189,718	-	(94,876)	1,094,842	100,915	993,927
2013 CalPERS Refunding Loan	4,221,000	-	(125,000)	4,096,000	263,000	3,833,000
Community Swimming						
Pool Loan	1,135,000	-	(65,000)	1,070,000	67,000	1,003,000
Compensated absences	252,502	44,867	(66,203)	231,166	56,635	174,531
Early retirement incentive	13,432	-	(13,432)	-	-	-
Sick leave conversion	31,176	-	(6,767)	24,409	6,188	18,221
Governmental activities						
Long-term liabilities	<u>\$ 6,982,828</u>	<u>\$ 44,867</u>	<u>\$ (511,278)</u>	<u>\$ 6,516,417</u>	<u>\$ 493,738</u>	<u>\$ 6,022,679</u>
<b>Business-type activities:</b>						
Bonds Payable:						
Revenue	\$ 31,905,000	\$ -	\$ (575,000)	\$ 31,330,000	\$ 615,000	\$ 30,715,000
Original issue discounts	(330,868)	-	11,817	(319,051)	-	(319,051)
Subtotal Bonds Payable	<u>31,574,132</u>	<u>-</u>	<u>(563,183)</u>	<u>31,010,949</u>	<u>615,000</u>	<u>30,395,949</u>
Notes payable	810,000	-	(17,000)	793,000	18,000	775,000
Compensated absences	77,110	22,180	(29,121)	70,169	16,841	53,328
Business-type activities						
Long-term liabilities	<u>\$ 32,461,242</u>	<u>\$ 22,180</u>	<u>\$ (609,304)</u>	<u>\$ 31,874,118</u>	<u>\$ 649,841</u>	<u>\$ 31,224,277</u>

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**6. LONG-TERM DEBT, Continued**

**B. 2012 Lease Financing (2012 City Hall Refunding Project)**

2012 Lease Financing (2012 City Hall Refunding Project) – On June 1, 2012, the City entered into a lease agreement with Compass Bank in the amount of \$1,581,555, with interest and principal payable each September 1 and March 1, beginning September 1, 2012 at an interest rate of 3.5%. The lease ends on September 1, 2027. The City has leased five properties, including improvements on those properties to Compass Bank in exchange for an advance rental payment of \$1,581,555 from Compass Bank. Compass Bank has leased back the five properties, including improvements on those properties, to the City, in exchange for future monthly lease payments. The purpose of the lease is to (i) fund an escrow to defease the 2002 City Hall Revenue Bonds, (ii) fund certain costs relating to the lease agreement.

\$1,787,682 from the 2012 Lease Financing, including \$166,775 from the Reserve Fund and \$125,806 from the Lease Payment Fund were placed in an irrevocable trust that will be used to pay off the 2002 City Hall Revenue Bonds on September 1, 2012. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of \$451,743

Annual debt service requirements, to maturity, for the 2012 Lease Financing are as follows:

Fiscal Year Ended June 30,	Revenue Bonds		Total
	Principal	Interest	
2019	\$ 100,915	\$ 37,465	\$ 138,380
2020	104,122	33,860	137,982
2021	104,577	30,233	134,810
2022	107,458	26,546	134,004
2023	112,670	22,761	135,431
2024-2028	565,100	50,815	615,915
Total	<u>\$ 1,094,842</u>	<u>\$ 201,680</u>	<u>\$ 1,296,522</u>

**C. 2013 CalPERS Refunding Loan**

On September 1, 2013, the City entered into a loan agreement with Umpqua Bank in the amount of \$4,907,000, with interest and principal payable each December 30 and June 30, beginning December 30, 2013 at an interest rate of 4.75%. Final payment is on June 30, 2028. The proceeds of the loan were used to pay the delivery costs of \$108,809, pay in the amount of \$2,566,165 to satisfy the City’s Safety Plan PERS Side Fund obligation, and pay in the amount of \$2,232,026 to satisfy the City’s Miscellaneous Plan PERS Side Fund obligation. The loan is secured by a pledge of all gross revenues, defined as all revenues, moneys, accounts receivable, contractual rights to payment, and other rights to payment of whatever kind legally available to pay loan repayments on the loan.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**6. LONG-TERM DEBT, Continued**

*D. 2013 CalPERS Refunding Loan, Continued*

The scheduled annual minimum debt service requirements at June 30, 2018, are as follows:

Fiscal Year Ended June 30,	Notes Payable		Total
	Principal	Interest	
2019	\$ 263,000	\$ 191,591	\$ 454,591
2020	291,000	178,789	469,789
2021	319,000	164,636	483,636
2022	351,000	149,102	500,102
2023	385,000	132,050	517,050
2024-2028	2,487,000	347,772	2,834,772
Total	\$ 4,096,000	\$ 1,163,940	\$ 5,259,940

*D. Community Swimming Pool Loan*

On September 1, 2015, the City entered into a loan agreement with Umpqua Bank in the amount of \$1,200,000, with interest and principal payable each March 31 and September 30, beginning March 1, 2016 at an interest rate of 3.17%. Final payment is on September 1, 2030. The proceeds of the loan were used to provide financing to Honey Lake Valley Recreation Authority. The City has leased the City's police department building in exchange for an advance rental payment of \$1,200,000 from Umpqua Bank. Umpqua Bank has leased back the property to the City in exchange for future monthly lease payments.

The scheduled annual minimum debt service requirements at June 30, 2018, are as follows:

Fiscal Year Ended June 30,	Notes Payable		Total
	Principal	Interest	
2019	\$ 67,000	\$ 32,858	\$ 99,858
2020	70,000	30,686	100,686
2021	73,000	28,419	101,419
2022	75,000	26,073	101,073
2023	77,000	23,664	100,664
2024-2028	423,000	79,425	502,425
2029-2031	285,000	13,741	298,741
Total	\$ 1,070,000	\$ 234,866	\$ 1,304,866

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**6. LONG-TERM DEBT, Continued**

*F. Compensated Absences*

City employees accumulate earned but unused vacation and compensatory time benefits which can be converted to cash at termination of employment. Since no means exists to reasonably estimate the amounts that might be liquidated with expendable currently available financial resources, if any, they are reported as long-term debt on the Statement of Net Position. Expenditures are only reported in the fund statements when payments are made. However, in the Statement of Activities the expenditure is allocated to each function based on usage. The non-current portion of these vested benefits, payable in accordance with various collective bargaining agreements, at June 30, 2018, total \$174,531 for governmental activities and \$53,328 for business-type activities. Compensated absences for governmental activities are generally liquidated by the fund where the accrued liability accrued, which is usually the General Fund.

*G. Sick Leave Conversion Payable*

The City provides post-retirement health care benefits to eligible employees who retire from the City. Since June 30, 2012, all full time permanent City employees are eligible for this benefit, upon retirement. The City utilizes an internal service fund (Retiree Benefits) to fund these future benefits.

The retirement benefit is limited to one-half of the employee's unused sick leave at the date of retirement, which may be applied only to fifty percent of health benefits for as long as the employee is eligible to receive those benefits. All employees other than members of the Susanville Police Officer's Association are limited to \$15,000 of conversion of unused sick leave upon retirement. This cost is funded on a pay-as-you-go basis and is accrued as a long-term liability in the long-term debt disclosed in Note 6 - Long-Term Debt once the retiree elects to retire and utilize one-half of their unused sick leave. As of June 30, 2018, the balance was \$24,409.

*H. Business Type Activities - Revenue Bonds*

The 2010 Refunding Revenue Bonds Senior, Series A - Interest from .6% to 5.0% is payable on June 1 and December 1, maturities are payable on June 1 in annual redemptions of \$250,000 to \$605,000. Final payment is on June 1, 2036. Original issue was \$9,700,000. Proceeds were used to repay the 2000 Water Revenue Bond, fund a reserve account, and pay the costs of issuance incurred in connection with the issuance, sale, and delivery of the new bond. The liability is shown in the Water Enterprise Fund. The balance at June 30, 2018 is \$7,515,000. The bonds are secured by revenues received from the operation of the Water Enterprise Fund. The City has covenanted in the indenture, to the maximum extent permitted by law to set rates and charges for the service and facilities of the Water Enterprise sufficient to provide net revenues each fiscal year equal to 125% of the aggregated annual amount of principal and interest due on all parity obligations for such fiscal year and sufficient to provide 100% of the aggregate amount of principal and interest due on all parity obligations and subordinate obligations for such fiscal year.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**6. LONG-TERM DEBT, Continued**

*H. Business Type Activities - Revenue Bonds, Continued*

The 2010 Refunding Revenue Subordinate, Series B - Interest from 2.0% to 6.0% is payable on June 1 and December 1, maturities are payable on June 1 in annual redemptions of \$25,000 to \$1,700,000. Final payment is on June 1, 2045. Original issue was \$25,160,000. Proceeds were used to repay the 2001-1 Certification of Participation (COP's), Series A, B, C, and D, fund a reserve account, and pay the costs of issuance incurred in connection with the issuance, sale, and delivery of the new bond. The liability is shown in the Natural Gas Enterprise Fund. The balance at June 30, 2018 is \$23,815,000. The bonds are secured by revenues received from the operation of the Natural Gas Enterprise Fund. The City has covenanted in the indenture, to the maximum extent permitted by law to set rates and charges for the service and facilities of the Natural Gas Enterprise sufficient to provide net revenues each fiscal year equal to 125% of the aggregated annual amount of principal and interest due on all parity obligations for such fiscal year and sufficient to provide 100% of the aggregate amount of principal and interest due on all parity obligations and subordinate obligations for such fiscal year.

Water Enterprise and Natural Gas debt service requirements for the 2010 Refunding Revenue bonds are:

Fiscal Year Ended June 30,	Revenue Bonds		Total
	Principal	Interest	
2019	\$ 615,000	\$ 1,724,650	\$ 2,339,650
2020	650,000	1,702,376	2,352,376
2021	695,000	1,677,476	2,372,476
2022	740,000	1,648,963	2,388,963
2023	790,000	1,613,038	2,403,038
2024-2028	4,780,000	7,408,027	12,188,027
2029-2033	6,200,000	6,014,563	12,214,563
2034-2038	6,790,000	4,138,851	10,928,851
2039-2043	6,765,000	2,256,600	9,021,600
2044-2045	3,305,000	300,300	3,605,300
<b>Total</b>	<b>\$ 31,330,000</b>	<b>\$ 28,484,844</b>	<b>\$ 59,814,844</b>

*I. Business Type Activities - Notes Payable*

Notes payable at June 30, 2018, consisted of the following:

Water Fund to United States Department of Agriculture, bears interest at 4.25%. Principal is payable annually on September 23 and interest is payable semi-annually on March and September 23. The note matures on September 23, 2043.

	<u>\$ 793,000</u>
Total Notes Payable	<u>\$ 793,000</u>

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**6. LONG-TERM DEBT, Continued**

*I. Business Type Activities - Notes Payable, Continued*

The scheduled annual minimum debt service requirements at June 30, 2018, are as follows:

Fiscal Year Ended June 30,	Notes Payable		Total
	Principal	Interest	
2019	\$ 18,000	\$ 33,320	\$ 51,320
2020	18,000	32,555	50,555
2021	19,000	31,769	50,769
2022	20,000	30,941	50,941
2023	21,000	30,069	51,069
2024-2028	94,000	135,788	229,788
2029-2033	141,000	107,549	248,549
2034-2038	174,000	72,783	246,783
2039-2043	215,000	29,855	244,855
2044	73,000	510	73,510
Total	<u>\$ 793,000</u>	<u>\$ 505,139</u>	<u>\$ 1,298,139</u>

**7. CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)**

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors five rate plans (two miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**7. CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN), 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 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 Employee's Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2018 are summarized as follows:

	Safety		Miscellaneous
Hire Date	Prior to January 1, 2013		Prior to January 1, 2013
Benefit formula	3.0% at 50		3.0% at 60
Benefit vesting schedule	5 years service		5 years service
Benefit payment	Monthly for life		Monthly for life
Retirement age	50		55 to 60
Monthly benefits, as a % of annual salary	3%		2 - 3%
Required employee contribution rates	9.000%		8.000%
Required employer contribution rates	19.723%		12.698%
Required unfunded liability payment	\$ 265,029	\$	213,383
	Safety		Miscellaneous
Hire Date	On or after January 1, 2013		On or after January 1, 2013
Benefit formula	2.7% at 57		2.0% at 62
Benefit vesting schedule	5 years service		5 years service
Benefit payments	Monthly for life		Monthly for life
Retirement age	57		62
Monthly benefits, as a % of annual salary	2.70%		2.00%
Required employee contribution rates	11.500%		6.250%
Required employer contribution rates	11.990%		6.533%
Required unfunded liability payment	\$ 202	\$	104

**Contributions** - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are to be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is 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.

The City's contributions to the Plan for the measurement period ended June 30, 2017 were \$848,437.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**7. CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN), Continued**

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

As of June 30, 2018, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$11,433,943.

The City's net pension liability for the Plan is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportionate of the net pension liability was based on the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City's proportionate share of the net pension liability for each Plan as of June 30, 2016 and 2017 were as follows:

Proportion - June 30, 2016	0.11364%
Proportion - June 30, 2017	0.11529%
Change - Increase (Decrease)	<u>0.00165%</u>

For the year ended June 30, 2018, the City recognized pension expense of \$1,287,657. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 865,752	\$ -
Changes of assumptions	1,975,870	151,178
Differences between expected and actual experience	-	38,954
Changes in employer's proportion	129,432	321,171
Differences between the employer's contribution and the employer's proportionate share of contributions	-	638,310
Net differences between projected and actual earnings on plan investments	437,977	-
Total	<u>\$ 3,409,031</u>	<u>\$ 1,149,613</u>

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**7. CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN), Continued**

\$865,752 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period	
Ending June 30:	
2019	\$ 31,589
2020	1,013,958
2021	606,107
2022	(257,990)

*Actuarial Assumptions* - The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15.%
Inflation	2.75.%
Projected Salary Increase (1)	Varies by entry age and service
Investment Rate of Return	7.15.%
Mortality	Derived by CalPERS membership data for all funds

(1) Net of pension plan administrative expenses.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

*Discount Rate* - The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**7. CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN), Continued**

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00.%	4.90.%	5.38.%
Global Fixed Income	19.00.%	0.80.%	2.27.%
Inflation Sensitive	6.00.%	0.60.%	1.39.%
Private Equity	12.00.%	6.60.%	6.63.%
Real Estate	11.00.%	2.80.%	5.21.%
Infrastructure and Forestland	3.00.%	3.90.%	5.36.%
Liquidity	2.00.%	-0.40.%	-0.90.%
Total	100%		

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

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

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**7. CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN), 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 the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.15.%
Net Pension Liability	\$	17,954,962
Current Discount Rate		7.15.%
Net Pension Liability	\$	11,433,943
1% Increase		8.15.%
Net Pension Liability	\$	6,072,034

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

Payable to the Pension Plan

At June 30, 2018 the City reported a payable of \$25,488 for outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

**9. INSURANCE**

The City is a member of a Joint Powers Agreement (JPA) with the Small Cities Organized Risk Effort (SCORE). This JPA provides liability and workers compensation coverage for its members by pooling risk.

Member cities participate in a Banking Plan for the first \$25,000 of loss. The portion of loss greater than \$25,000 but less than \$250,000 is shared among the Member Cities in the Shared Risk Pool. The JPA participates in the California Joint Powers Risk Management Authority (CJPRMA) for the portion of losses greater than \$250,000. The JPA is comprised of twenty one small cities located in Northern and Central California. Upon review of the application, a new member may be admitted by a three-quarters (3/4) vote of the board. Members may be expelled by a two-thirds (2/3) vote. Upon entry into the JPA, members may not voluntarily withdraw for a period of three years and in no case before the JPA's commitment to CJPRMA is satisfied. Members must submit six months written notice prior to voluntarily withdrawing. After withdrawal a member may not re-enter the JPA for a period of three years.

The City makes payments to SCORE based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**9. INSURANCE, Continued**

Condensed financial information of the Small Cities Organized Risk Effort (SCORE) for the fiscal year ended June 30, 2017, is as follows:

Total Assets	\$ 12,866,727
Total Liabilities	\$ 5,412,717
Fund Equity	7,454,010
Total Liabilities and Equity	<u>\$ 12,866,727</u>
Total Revenues	\$ 3,602,196
Total Expenditures	(3,918,477)
Net Increase/ (Decrease)	<u>\$ (316,281)</u>

Copies of the financial statements are available from SCORE, located in Sacramento, California.

The City is also a member of a Joint Powers Agreement with Employment Risk Management Authority (ERMA).

Condensed financial information of ERMA for the fiscal year ended June 30, 2017, is as follows:

Total Assets	\$ 25,764,070
Total Liabilities	\$ 11,903,844
Fund Equity	13,860,226
Total Liabilities and Equity	<u>\$ 25,764,070</u>
Total Revenues	\$ 6,545,195
Total Expenditures	7,336,984
Net Increase	<u>\$ (791,789)</u>

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**11. DEFERRED COMPENSATION PLANS**

The City offers its employees deferred compensation plans through three different financial services companies. These plans were created in accordance with Internal Revenue Code Section 457. The plans are available to all employees. The Omnibus Budget Reconciliation Act of 1990 mandates social security coverage for state and local government employees who are not covered by a retirement plan. The Internal Revenue Service regulations allow an employer to designate a 457(b) Deferred Compensation Plan as an alternative to social security. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City matches employee contributions at rate of 2% to 100%, with a maximum of \$25 to \$40 per pay period.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by a third party administrator (AIG Valic, Pebasco, or ICMA) for the exclusive benefit of the plan participants and their beneficiaries as prescribed by Internal Revenue Code Section 457 (g). Accordingly, these assets have been excluded from the accompanying financial statements.

**12. NET POSITION AND FUND BALANCES**

**A. Net Position**

Net position are the excess of all the City's assets over all its liabilities, regardless of fund. Net position are divided into three captions under GASB Statement No. 34. These captions apply only to net position, which are determined at the government-wide, proprietary fund, and fiduciary fund level and are described below.

*Net investment in capital assets* describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Net investment in capital assets was calculated as follows for fiscal year 2018.

	Governmental Activities	Business-type Activities	Water Enterprise Fund	Natural Gas Enterprise Fund	Non-Major Enterprise Funds
Capital Assets	4,223,931	29,722,846	7,345,858	17,503,929	4,873,059
<i>Less capital asset related debt</i>					
Bonds Payable	(1,094,842)	(31,010,949)	(7,515,000)	(23,495,949)	-
Notes Payable	-	(793,000)	(793,000)	-	-
<i>Plus deferred loss on refunding</i>					
	46,608	615,622	615,622	-	-
Net Investment in Capital Assets	3,175,697	(1,465,481)	(346,520)	(5,992,020)	4,873,059

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**12. NET POSITION AND FUND BALANCES, Continued**

*A. Net Position, Continued*

*Restricted* describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

*Unrestricted* describes the portion of net position which is not restricted as to use.

When both restricted and unrestricted net position is available, restricted resources are depleted first before the unrestricted resources are used.

Restricted net position as of June 30, 2018:

Public Safety	\$	211,071
Parks		160,335
Housing and Economic Development		1,263,215
HOME Program		752,150
Traffic Safety		51,521
Traffic Signals		80,544
Streets and Roads		157,508
Capital Projects		18,615
<i>Total Restricted</i>	<u>\$</u>	<u>2,694,959</u>

*B. Fund Balances*

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**12. NET POSITION AND FUND BALANCES, Continued**

***B. Fund Balances, Continued***

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or the Finance Director delegated that authority by City ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**12. NET POSITION AND FUND BALANCES, Continued**

*B. Fund Balances, Continued*

The constraints placed on fund balance for the major governmental funds and all other governmental funds at June 30, 2018 are as follows:

Fund Balances	General Fund	Gas Tax Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable:</i>				
Prepays	\$ 34,201	\$ -	\$ -	\$ 34,201
Inventory	21,989	-	-	21,989
Loans receivable	53,803	-	-	53,803
<i>Total Nonspendable</i>	109,993	-	-	109,993
<i>Restricted for:</i>				
Public Safety	-	-	211,071	211,071
Parks	-	-	160,335	160,335
Housing Economic Development	-	-	1,263,215	1,263,215
HOME Program	-	-	752,150	752,150
Traffic Safety	-	-	51,521	51,521
Traffic Signals	-	-	80,544	80,544
Streets and Roads	-	-	157,508	157,508
Capital Projects	18,615	-	-	18,615
<i>Total Restricted</i>	18,615	-	2,676,344	2,694,959
<i>Assigned for:</i>				
Economic Development	303,927	-	-	303,927
Debt Service	-	-	534,392	534,392
Capital Projects	-	-	13,848	13,848
<i>Total Assigned</i>	303,927	-	548,240	852,167
Unassigned	3,125,488	(165,397)	-	2,960,091
<i>Total Fund Balances</i>	\$ 3,558,023	\$ (165,397)	\$ 3,224,584	\$ 6,617,210

\*Included in the Unassigned Fund Balance for the General Fund is \$1,343,666 that is set-aside as a reserve, by Council Resolution.

**13. REVENUE LIMITATIONS IMPOSED BY CALIFORNIA PROPOSITION 218**

Proposition 218, which was approved by the voters in November 1996, will regulate the City's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**14. CONTINGENCIES AND COMMITMENTS**

The City is involved in various litigations. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the City’s financial statements.

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

The City has two operating leases for golf carts. The first lease expires in October 2018 and has minimum lease payments of \$1,732 per month; and the second lease expires in October 2019 and has minimum lease payments of \$1,732 per month. The City also has two operating leases for copiers. The first lease is for public works and expires in June 2019 and has minimum lease payments of \$339 per month, and the second lease is for the fire department and expires in June 2018 and has minimum lease payments of \$161 per month.

The following is a schedule, by year, of future minimum lease payments required under the operating leases as of June 30, 2018:

Fiscal Year Ended June 30,	Total
2019	\$ 14,462
Total	\$ 14,462

**16. JOINTLY GOVERNED AND RELATED ORGANIZATIONS**

Honey Lake Valley Recreation Authority

The Honey Lake Recreation Authority (HLVRA) was created by a joint powers agreement between the County of Lassen and the City of Susanville on November 18, 2013 under the provisions of California Government Code 6500 et. Seq. HLVA is an entity separate from its member agencies created for the purpose of owning and operating public recreation facilities, including a swimming pool. HLVRA has a five-member board of directors comprised of two representatives from each member agency and one member at large.

Lassen Regional Solid Waste Management Authority

In 1999, the Lassen Regional Solid Waste Management Authority (the “Authority”) was created under a joint powers agreement between the County of Lassen and the City of Susanville. It was formed to fund, plan, operate, administer, and maintain solid waste facilities, sites and services, including all mandated costs for planning, waste diversion, and both closure and post-closure of sites, as well as public education , waste transfer, material recovery, recycling, household hazardous waste programs, and other AB939 programs. The Authority has a board of directors, which consists of five persons, two from the County and two from the City, and one public member at-large who is appointed by the City and County members. The members have no share of the Authority’s debts, liabilities, and obligations.

**City of Susanville**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**16. JOINTLY GOVERNED AND RELATED ORGANIZATIONS**

Lassen Transit Service Agency

The Lassen Transit Service Agency (Agency) was created as a joint powers agreement (JPA) between the County of Lassen and the City of Susanville on July 17, 2002 under the provisions of Article 1, Chapter 5, Division 7, Title 1 of the California Government Code Section 6500. The Agency is charged with the administration and operation of the Lassen Rural Bus (LRB) public transportation services within Lassen County under the jurisdiction of the Lassen County. The Commission is comprised of three member of the Lassen County Board of Supervisors and three members of the City of Susanville City Council, and allocates and distributes the Transportation Development Act (TDA) funding for LRB service operations. In addition to TDA funds, the Agency receives funding through several resources including the federal government and the State of California.

Lassen County Air Pollution Control District

The Lassen County Air Pollution Control District (District) is a local air district governing the Lassen County region. The District Board is a six member board comprised of three members from the Lassen County Board of Supervisors and three members from the City of Susanville City Council.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**City of Susanville**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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**1. BUDGETS AND BUDGETARY ACCOUNTING**

*A. Budgetary Control and Budgetary Accounting*

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governmental funds. The City's budget ordinance requires that in June of each year the City Administrator must submit a preliminary budget that includes projected expenditures and the means of financing them to the City Council for the fiscal year commencing the following July 1. As modified during public hearing sessions, the preliminary budget becomes the proposed budget. Following public hearings on the proposed budget, the final annual budget is adopted by the City Council in June of the fiscal year. After adoption of the budget, transfers of appropriations within the general fund departments may be done by the City Administrator. Budget transfers within a department/fund may be done by department heads. Budget modifications between funds and increases in appropriations for expenditures to a fund's overall budget must be approved by the City Council or Agency Board. Revenues can be increased at any time without Council approval. Approval has to be made to spend it. Numerous properly authorized amendments are made during the fiscal year. Budget is modified again at mid-year, usually in February with updated revenue projections.

Budgetary control is enhanced by integrating the budget into the general ledger accounts. Encumbrance accounting (e.g. purchase orders) is employed by the City.

**City of Susanville**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

**B. Budgetary Comparison Schedules**

The following are the budget comparison schedules for all major Governmental Funds.

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 4,927,980	\$ 5,114,591	\$ 5,493,736	\$ 379,145
Licenses and permits	84,100	84,100	114,154	30,054
Fines and forfeitures	90,522	90,522	66,851	(23,671)
Use of money and property	41,201	39,388	64,017	24,629
Intergovernmental	253,672	873,139	833,764	(39,375)
Charges for services	151,415	512,015	307,048	(204,967)
Other revenues	13,024	13,484	7,363	(6,121)
<b>Total revenues</b>	<b>5,561,914</b>	<b>6,727,239</b>	<b>6,886,933</b>	<b>159,694</b>
<b>EXPENDITURES:</b>				
Current:				
General government:	607,311	967,419	1,028,544	(61,125)
Public Safety	3,866,382	4,452,810	4,162,965	289,845
Protective inspections	246,760	259,249	258,145	1,104
Community services	241,546	753,384	427,010	326,374
Community development	179,951	125,908	104,033	21,875
Capital outlay	7,828	8,328	3,305	5,023
<b>Total expenditures</b>	<b>5,149,778</b>	<b>6,567,098</b>	<b>5,984,002</b>	<b>583,096</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>412,136</b>	<b>160,141</b>	<b>902,931</b>	<b>742,790</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	18,725	95,178	58,829	(36,349)
Transfers out	(576,931)	(716,757)	(680,396)	36,361
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(558,206)</b>	<b>(621,579)</b>	<b>(621,567)</b>	<b>12</b>
<b>Net change in fund balance</b>	<b>\$ (146,070)</b>	<b>\$ (461,438)</b>	<b>281,364</b>	<b>\$ 742,802</b>
<b>FUND BALANCE:</b>				
Beginning of year			3,276,659	
End of year			<u>\$ 3,558,023</u>	

**City of Susanville**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

**B Budgetary Comparison Schedules, Continued**

Budgetary Comparison Schedule, Gas Tax Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 12,650	\$ 12,650	\$ 11,316	\$ (1,334)
Intergovernmental	653,394	3,974,008	1,240,488	(2,733,520)
Other revenues	-	-	121	121
<b>Total revenues</b>	<b>666,044</b>	<b>3,986,658</b>	<b>1,251,925</b>	<b>(2,734,733)</b>
<b>EXPENDITURES:</b>				
Current				
Streets	800,347	3,835,400	1,716,001	2,119,399
<b>Total expenditures</b>	<b>800,347</b>	<b>3,835,400</b>	<b>1,716,001</b>	<b>2,119,399</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(134,303)</b>	<b>151,258</b>	<b>(464,076)</b>	<b>(615,334)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	139,488	139,488	139,488	-
Transfers out	(12,683)	(12,683)	(12,684)	(1)
<b>Total other financing sources (uses)</b>	<b>126,805</b>	<b>126,805</b>	<b>126,804</b>	<b>(1)</b>
<b>Net change in fund balance</b>	<b>\$ (7,498)</b>	<b>\$ 278,063</b>	<b>(337,272)</b>	<b>\$ (615,335)</b>
<b>FUND BALANCE:</b>				
Beginning of year			171,875	
End of year			\$ (165,397)	

**City of Susanville**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

**2. DEFINED BENEFIT PENSION PLAN**

**A. Schedule of the City's Proportionate Share of the Net Pension Liability - Last 10 Years\***

Fiscal year:	2018	2017	2016	2015 *
Measurement date:	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.11529%	0.11364%	0.10616%	0.10938%
Proportionate share of the net pension liability	\$ 11,433,943	\$ 9,833,346	\$ 7,287,061	\$ 6,637,753
Covered payroll	\$ 3,167,033	\$ 3,342,599	\$ 3,237,445	\$ 2,943,546
Proportionate Share of the net pension liability as percentage of covered payroll	361.03.%	294.18.%	225.09.%	62.00.%
Plan fiduciary net position as a percentage of the total pension liability	73.31.%	74.06.%	78.40.%	79.82.%

Notes to Schedule:

\*- Fiscal year 2015 was the 1st year of implementation.

**B. Schedule of Contributions - Last 10 Years\***

Fiscal year	2018	2017	2016	2015 *
Contractually required contribution (actuarially determined)	\$ 865,752	\$ 848,437	\$ 749,220	\$ 601,837
Contribution in relation to the actuarially determined contributions	(865,752)	(848,437)	(749,220)	(601,837)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,144,855	\$ 3,167,033	\$ 3,342,599	\$ 3,237,445
Contributions as a percentage of covered payroll	27.53%	26.79%	22.41%	18.59%
Note to Schedule				
Valuation date:**	6/30/2015	6/30/2014	6/30/2013	6/30/2012

\* - Fiscal year 2015 was the 1 st year of implementation.

\*\* Date of actuarial valuation used to determine the contractually required contribution.

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# SUPPLEMENTARY INFORMATION

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## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

*Local Law Enforcement Block Grant Fund* accounts for a State grant is used to fund a Police Sergeant's position to supplement the number of personnel assigned to provide law enforcement services to the City.

*Street, Police, & Fire Mitigation Funds* account for fees collected from new developments within the City used for the purchase and maintenance of vehicles, equipment, and various facilities

*Park Land In-Lieu Fund* accounts for fees collected from new developments within the City which are used to purchase necessary equipment and land to maintain and expand the City's parks.

*State Revolving Loan Fund* accounts for program income received from Community Development Block Grant loans given for Housing Rehabilitation, Façade Improvement, Business Assistance, and First-Time Home Buyers loan that are then re-issued in the form of new loans.

*HOME Revolving Loan Special Revenue Fund* accounts for program income received from the Façade Improvement, Business Assistance, and First-Time Home Buyers loan re-payments which are re-issued in the form of new loans.

*Traffic Safety Fund* accounts for a portion of fines and forfeitures received by the City for any arrests by a City Officer under VC 42200 that is used for the purchase and maintenance of equipment associated with Traffic Law Enforcement.

*Skyline Bicycle Lane Fund* accounts for fees collected from new development within the Skyline area to be used for the installation and maintenance of traffic signals, parks and parkways.

*State of California Prop 30 AB109 Fund* account for expenditures funded by Proposition 30 AB109 revenues.

*Traffic Signals Fund* account for fees collected from new developments within the Barry Creek and Chestnut Street areas used to repay the City for installation of the culverts.

## NON-MAJOR GOVERNMENTAL FUNDS

### DEBT SERVICE FUNDS

*City Hall Debt Service Fund* accounts for debt service payments on bond issued to remodel the City Hall.

*Mark Roos 92B Debt Service Fund* accounts for assessments collected from homebuyers within Miller/Fletcher Housing Development that are used to repay the bond that was issued in 1992 to install the infrastructure within this development.

*Side Fund Debt Service Fund* accounts for debt service payments on the 2013 CalPERS Refunding Loan that was used to refund the City's CalPERS Side Fund obligations.

*Community Swimming Pool Debt Service Fund* accounts for the for debt service payments on the Community Swimming Pool Loan that was used to finance a portion of the costs of the construction of a community swimming pool and related costs and improvements there to by the Honey Lake Valley Recreational Authority.

### CAPITAL PROJECT FUND

*City Hall Parking Lot Project Fund* accounts for amounts set aside for the City's City Hall Parking Lot Project.

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**City of Susanville**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds			
	Local Law Enforcement Block Grant Fund	Street Mitigation Fund	Police Mitigation Fund	Fire Mitigation Fund
<b>ASSETS</b>				
Cash and investments	\$ 60,089	\$ 43,327	\$ 14,489	\$ 140,498
Restricted cash and investments held by fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	174	210	86	690
Prepaid expenditures	-	-	-	-
Loans receivable	-	-	-	-
	<u>\$ 60,263</u>	<u>\$ 43,537</u>	<u>\$ 14,575</u>	<u>\$ 141,188</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 4,955	\$ -
Accrued salaries and wages payable	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>4,955</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted	60,263	43,537	9,620	141,188
Assigned	-	-	-	-
<b>Total fund balances</b>	<u>60,263</u>	<u>43,537</u>	<u>9,620</u>	<u>141,188</u>
<b>Total liabilities and fund balances</b>	<u>\$ 60,263</u>	<u>\$ 43,537</u>	<u>\$ 14,575</u>	<u>\$ 141,188</u>

Special Revenue Funds

Park Land In-lieu Fund	State Revolving Loan Fund	HOME Revolving Loan Fund	Traffic Safety Fund	Skyline Bicycle Lane Fund	State of California Prop 30 AB 109 Fund
\$ 159,521	\$ 6,110	\$ 423,496	\$ 54,637	\$ 8,770	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	2,074	-	1,545	-	-
814	1,749	2,129	294	43	-
-	-	-	-	-	-
-	946,997	326,525	-	-	-
<u>\$ 160,335</u>	<u>\$ 956,930</u>	<u>\$ 752,150</u>	<u>\$ 56,476</u>	<u>\$ 8,813</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 4,955	\$ -	\$ -
-	-	-	-	-	-
-	-	-	4,955	-	-
160,335	956,930	752,150	51,521	8,813	-
-	-	-	-	-	-
<u>160,335</u>	<u>956,930</u>	<u>752,150</u>	<u>51,521</u>	<u>8,813</u>	<u>-</u>
<u>\$ 160,335</u>	<u>\$ 956,930</u>	<u>\$ 752,150</u>	<u>\$ 56,476</u>	<u>\$ 8,813</u>	<u>\$ -</u>

**City of Susanville**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds			Debt Ser
	Traffic Signals Fund	CDBG Fund	Road Fund	City Hall Debt Service Fund
<b>ASSETS</b>				
Cash and investments	\$ 80,145	\$ 306,285	\$ 67,120	\$ 52,259
Restricted cash and investments held by fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Accounts receivable	-	-	38,038	-
Interest receivable	399	-	-	-
Prepaid expenditures	-	-	-	-
Loans receivable	-	-	-	-
	<u>\$ 80,544</u>	<u>\$ 306,285</u>	<u>\$ 105,158</u>	<u>\$ 52,259</u>
<b>LIABILITIES</b>				
<b>AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and wages payable	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted	80,544	306,285	105,158	-
Assigned	-	-	-	52,259
<b>Total fund balances</b>	<u>80,544</u>	<u>306,285</u>	<u>105,158</u>	<u>52,259</u>
<b>Total liabilities</b>				
<b>and fund balances</b>	<u>\$ 80,544</u>	<u>\$ 306,285</u>	<u>\$ 105,158</u>	<u>\$ 52,259</u>

Debt Service Funds	Debt Service Funds			Capital Project	Total
	Mark Roos 92B Debt Service Fund	Side Fund Debt Service Fund	Community Swimming Pool Debt Service Fund	Fund City Hall Parking Lot Project Fund	
\$ -	\$ 481,503	\$ 630	\$ 13,848	\$ 1,912,727	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	41,657	
-	-	-	-	6,588	
-	-	-	-	-	
-	-	-	-	1,273,522	
<u>\$ -</u>	<u>\$ 481,503</u>	<u>\$ 630</u>	<u>\$ 13,848</u>	<u>\$ 3,234,494</u>	
\$ -	\$ -	\$ -	\$ -	\$ 9,910	
-	-	-	-	-	
-	-	-	-	9,910	
-	-	-	-	2,676,344	
-	481,503	630	13,848	548,240	
-	481,503	630	13,848	3,224,584	
<u>\$ -</u>	<u>\$ 481,503</u>	<u>\$ 630</u>	<u>\$ 13,848</u>	<u>\$ 3,234,494</u>	

**City of Susanville**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2018**

	Special Revenue Funds			
	Local Law Enforcement Block Grant Fund	Street Mitigation Fund	Police Mitigation Funds	Fire Mitigation Fund
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	499	482	779	1,716
Intergovernmental revenues	123,472	-	-	-
Program income	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	14,368	18,452	19,412
<b>Total revenues</b>	<b>123,971</b>	<b>14,850</b>	<b>19,231</b>	<b>21,128</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	136,524	-	-	-
Streets	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	20,700	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>136,524</b>	<b>-</b>	<b>20,700</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(12,553)</b>	<b>14,850</b>	<b>(1,469)</b>	<b>21,128</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>(12,553)</b>	<b>14,850</b>	<b>(1,469)</b>	<b>21,128</b>
<b>FUND BALANCES:</b>				
Beginning of year	72,816	28,687	11,089	120,060
End of year	\$ 60,263	\$ 43,537	\$ 9,620	\$ 141,188

Special Revenue Funds

Park Land In-lieu Fund	State Revolving Loan Fund	HOME Revolving Loan Fund	Traffic Safety Fund	Skyline Bicycle Lane Fund	State of California Prop 30 AB 109 Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	12,318	-	-
2,117	4,208	7,207	780	89	-
-	-	-	-	-	-
-	-	20,000	-	-	-
-	-	-	-	-	-
1,143	-	-	-	1,148	-
<u>3,260</u>	<u>4,208</u>	<u>27,207</u>	<u>13,098</u>	<u>1,237</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	29,329	217	-	-	-
6,000	-	-	20,702	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,000</u>	<u>29,329</u>	<u>217</u>	<u>20,702</u>	<u>-</u>	<u>-</u>
<u>(2,740)</u>	<u>(25,121)</u>	<u>26,990</u>	<u>(7,604)</u>	<u>1,237</u>	<u>-</u>
-	-	-	-	-	-
-	(320,031)	-	-	-	(23,668)
-	(320,031)	-	-	-	(23,668)
(2,740)	(345,152)	26,990	(7,604)	1,237	(23,668)
163,075	1,302,082	725,160	59,125	7,576	23,668
<u>\$ 160,335</u>	<u>\$ 956,930</u>	<u>\$ 752,150</u>	<u>\$ 51,521</u>	<u>\$ 8,813</u>	<u>\$ -</u>

**City of Susanville**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2018**

	Special Revenue Funds			Debt Service Funds
	Traffic Signals Fund	CDBG Fund	Road Fund	City Hall Debt Service Fund
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	1,121	-	-	-
Intergovernmental revenues	-	-	105,158	-
Program income	-	-	-	-
Charges for services	405	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>1,526</b>	<b>-</b>	<b>105,158</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Streets	18,311	-	-	-
Community development	-	13,746	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	94,876
Interest and fiscal charges	-	-	-	40,802
<b>Total expenditures</b>	<b>18,311</b>	<b>13,746</b>	<b>-</b>	<b>135,678</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(16,785)</b>	<b>(13,746)</b>	<b>105,158</b>	<b>(135,678)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	320,031	-	135,696
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>320,031</b>	<b>-</b>	<b>135,696</b>
<b>Net change in fund balances</b>	<b>(16,785)</b>	<b>306,285</b>	<b>105,158</b>	<b>18</b>
<b>FUND BALANCES:</b>				
Beginning of year	97,329	-	-	52,241
End of year	<u>\$ 80,544</u>	<u>\$ 306,285</u>	<u>\$ 105,158</u>	<u>\$ 52,259</u>

Debt Service Fund			Capital Project Fund	Total
Mark Roos 92B Debt Service Fund	Side Fund Debt Service Fund	Community Swimming Pool Debt Service Fund	City Hall Parking Lot Project Fund	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	12,318
324	-	-	-	19,322
-	-	-	-	228,630
-	-	-	-	20,000
-	-	-	-	405
-	-	-	-	54,523
<u>324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,198</u>
-	-	-	-	136,524
-	-	-	-	18,311
140,000	-	-	-	183,292
-	-	-	-	47,402
140,000	125,000	65,000	-	424,876
6,417	100,253	34,949	-	182,421
<u>286,417</u>	<u>225,253</u>	<u>99,949</u>	<u>-</u>	<u>992,826</u>
<u>(286,093)</u>	<u>(225,253)</u>	<u>(99,949)</u>	<u>-</u>	<u>(657,628)</u>
-	447,528	99,948	-	1,003,203
(30,158)	-	-	-	(373,857)
<u>(30,158)</u>	<u>447,528</u>	<u>99,948</u>	<u>-</u>	<u>629,346</u>
(316,251)	222,275	(1)	-	(28,282)
<u>316,251</u>	<u>259,228</u>	<u>631</u>	<u>13,848</u>	<u>3,252,866</u>
<u>\$ -</u>	<u>\$ 481,503</u>	<u>\$ 630</u>	<u>\$ 13,848</u>	<u>\$ 3,224,584</u>

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# City of Susanville

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

### Local Law Enforcement Block Grant Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 499	\$ 499
Intergovernmental revenue	100,000	100,000	123,472	23,472
<b>Total revenues</b>	<b>100,000</b>	<b>100,000</b>	<b>123,971</b>	<b>23,971</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety:	107,169	107,169	136,524	(29,355)
<b>Total expenditures</b>	<b>107,169</b>	<b>107,169</b>	<b>136,524</b>	<b>(29,355)</b>
<b>Net change in fund balance</b>	<b>\$ (7,169)</b>	<b>\$ (7,169)</b>	<b>(12,553)</b>	<b>\$ (5,384)</b>
<b>FUND BALANCE:</b>				
Beginning of year			72,816	
End of year			\$ 60,263	

# City of Susanville

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

### Street Mitigation Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 533	\$ 482	\$ (51)
Other revenues	2,800	14,368	14,368	-
<b>Total revenues</b>	<b>2,800</b>	<b>14,901</b>	<b>14,850</b>	<b>(51)</b>
<b>Net change in fund balance</b>	<b>\$ 2,800</b>	<b>\$ 14,901</b>	<b>14,850</b>	<b>\$ (51)</b>
<b>FUND BALANCE:</b>				
Beginning of year			28,687	
End of year			\$ 43,537	

# City of Susanville

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

### Police Mitigation Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 898	\$ 779	\$ (119)
Other revenues	3,200	18,452	18,452	-
<b>Total revenues</b>	<b>3,200</b>	<b>19,350</b>	<b>19,231</b>	<b>(119)</b>
<b>EXPENDITURES:</b>				
Capital outlay	-	21,500	20,700	800
<b>Total expenditures</b>	<b>-</b>	<b>21,500</b>	<b>20,700</b>	<b>800</b>
<b>Net change in fund balance</b>	<b>\$ 3,200</b>	<b>\$ (2,150)</b>	<b>(1,469)</b>	<b>\$ 681</b>
<b>FUND BALANCE:</b>				
Beginning of year			11,089	
End of year			\$ 9,620	

# City of Susanville

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

### Fire Mitigation Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 1,864	\$ 1,716	\$ (148)
Other revenues	3,000	19,412	19,412	-
<b>Total revenues</b>	<b>3,000</b>	<b>21,276</b>	<b>21,128</b>	<b>(148)</b>
<b>Net change in fund balance</b>	<b>\$ 3,000</b>	<b>\$ 21,276</b>	<b>21,128</b>	<b>\$ (148)</b>
<b>FUND BALANCE:</b>				
Beginning of year			120,060	
End of year			\$ 141,188	

# City of Susanville

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

### Park Land In-lieu Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 2,117	\$ 2,117
Other revenues	500	1,143	1,143	-
<b>Total revenues</b>	<b>500</b>	<b>1,143</b>	<b>3,260</b>	<b>2,117</b>
<b>EXPENDITURES:</b>				
Capital outlay	-	6,141	6,000	141
<b>Total expenditures</b>	<b>-</b>	<b>6,141</b>	<b>6,000</b>	<b>141</b>
<b>Net change in fund balance</b>	<b>\$ 500</b>	<b>\$ (4,998)</b>	<b>(2,740)</b>	<b>\$ 2,258</b>
<b>FUND BALANCE:</b>				
Beginning of year			163,075	
End of year			\$ 160,335	

# City of Susanville

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

### State Revolving Loan Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 500	\$ 500	\$ 4,208	\$ 3,708
<b>Total revenues</b>	<b>500</b>	<b>500</b>	<b>4,208</b>	<b>3,708</b>
<b>EXPENDITURES:</b>				
Current:				
Community Development	15,309	322,117	29,329	292,788
<b>Total expenditures</b>	<b>15,309</b>	<b>322,117</b>	<b>29,329</b>	<b>292,788</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(14,809)</b>	<b>(321,617)</b>	<b>(25,121)</b>	<b>296,496</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	-	(320,031)	(320,031)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(320,031)</b>	<b>(320,031)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (14,809)</b>	<b>\$ (321,617)</b>	<b>(345,152)</b>	<b>\$ 296,496</b>
<b>FUND BALANCE:</b>				
Beginning of year			1,302,082	
End of year			\$ 956,930	

# City of Susanville

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

### HOME Revolving Loan Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 155	\$ 310	\$ 7,207	\$ 6,897
Program income	-	-	20,000	20,000
<b>Total revenues</b>	<b>155</b>	<b>310</b>	<b>27,207</b>	<b>26,897</b>
<b>EXPENDITURES:</b>				
Current:				
Community Development	10,000	10,000	217	9,783
<b>Total expenditures</b>	<b>10,000</b>	<b>10,000</b>	<b>217</b>	<b>9,783</b>
<b>Net change in fund balance</b>	<b>\$ (9,845)</b>	<b>\$ (9,690)</b>	<b>26,990</b>	<b>\$ 36,680</b>
<b>FUND BALANCE:</b>				
Beginning of year			725,160	
End of year			\$ 752,150	

# City of Susanville

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

### Traffic Safety Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 12,318	\$ 2,318
Use of money and property	158	158	780	622
<b>Total revenues</b>	<b>10,158</b>	<b>10,158</b>	<b>13,098</b>	<b>2,940</b>
<b>EXPENDITURES:</b>				
Capital outlay	-	21,500	20,702	798
<b>Total expenditures</b>	<b>-</b>	<b>21,500</b>	<b>20,702</b>	<b>798</b>
<b>Net change in fund balance</b>	<b>\$ 10,158</b>	<b>\$ (11,342)</b>	<b>(7,604)</b>	<b>\$ 3,738</b>
<b>FUND BALANCE:</b>				
Beginning of year			59,125	
End of year			\$ 51,521	

# City of Susanville

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

### Skyline Bicycle Lane Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 89	\$ 89
Other revenues	100	100	1,148	1,048
<b>Total revenues</b>	<b>100</b>	<b>100</b>	<b>1,237</b>	<b>1,137</b>
<b>Net change in fund balance</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>1,237</b>	<b>\$ 1,137</b>
<b>FUND BALANCE:</b>				
Beginning of year			7,576	
End of year			\$ 8,813	

# City of Susanville

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

### State of California Prop 30 AB 109 Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 54,849	\$ 54,849	\$ -	\$ (54,849)
<b>Total revenues</b>	<b>54,849</b>	<b>54,849</b>	<b>-</b>	<b>(54,849)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>54,849</b>	<b>54,849</b>	<b>-</b>	<b>(54,849)</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(13,725)	(23,668)	(23,668)	-
<b>Total other financing sources (uses)</b>	<b>(13,725)</b>	<b>(23,668)</b>	<b>(23,668)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 41,124</b>	<b>\$ 31,181</b>	<b>(23,668)</b>	<b>\$ (54,849)</b>
<b>FUND BALANCE:</b>				
Beginning of year			23,668	
End of year			\$ -	

# City of Susanville

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

### Traffic Signals Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 1,121	\$ 1,121
Charges for services	500	500	405	(95)
<b>Total revenues</b>	<b>500</b>	<b>500</b>	<b>1,526</b>	<b>1,026</b>
<b>EXPENDITURES:</b>				
Current:				
Streets	-	18,311	18,311	-
<b>Total expenditures</b>	<b>-</b>	<b>18,311</b>	<b>18,311</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 500</b>	<b>\$ (17,811)</b>	<b>(16,785)</b>	<b>\$ 1,026</b>
<b>FUND BALANCE:</b>				
Beginning of year			97,329	
End of year			\$ 80,544	

# City of Susanville

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

### CDBG Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	34,395	13,746	20,649
<b>Total expenditures</b>	<b>-</b>	<b>34,395</b>	<b>13,746</b>	<b>20,649</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(34,395)</b>	<b>(13,746)</b>	<b>20,649</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	320,031	320,031	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>320,031</b>	<b>320,031</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (34,395)</b>	<b>306,285</b>	<b>\$ 20,649</b>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			\$ 306,285	

# City of Susanville

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

### Road Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ 105,159	\$ 105,158	\$ (1)
<b>Total revenues</b>	<b>-</b>	<b>105,159</b>	<b>105,158</b>	<b>(1)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 105,159</b>	<b>105,158</b>	<b>\$ (1)</b>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			\$ 105,158	

# City of Susanville

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

### City Hall Debt Service Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Debt service:				
Principal	\$ 94,876	\$ 66,902	\$ 94,876	\$ (27,974)
Interest and fiscal charges	40,820	68,794	40,802	27,992
<b>Total expenditures</b>	<b>135,696</b>	<b>135,696</b>	<b>135,678</b>	<b>18</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(135,696)</b>	<b>(135,696)</b>	<b>(135,678)</b>	<b>18</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	135,696	135,696	135,696	-
<b>Total other financing sources (uses)</b>	<b>135,696</b>	<b>135,696</b>	<b>135,696</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>18</b>	<b>\$ 18</b>
<b>FUND BALANCE:</b>				
Beginning of year			52,241	
End of year			\$ 52,259	

# City of Susanville

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

### Mark Roos 92B Debt Service Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 324	\$ 324
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>324</b>	<b>324</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	140,000	(140,000)
Debt service:				
Principal	140,000	140,000	140,000	-
Interest and fiscal charges	5,425	5,425	6,417	(992)
<b>Total expenditures</b>	<b>145,425</b>	<b>145,425</b>	<b>286,417</b>	<b>(140,992)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(145,425)</b>	<b>(145,425)</b>	<b>(286,093)</b>	<b>(140,668)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(30,158)	(30,158)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(30,158)</b>	<b>(30,158)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (145,425)</b>	<b>\$ (175,583)</b>	<b>(316,251)</b>	<b>\$ (140,668)</b>
<b>FUND BALANCE:</b>				
Beginning of year			316,251	
End of year			\$ -	

# City of Susanville

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

### Side Fund Debt Service Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Debt service:				
Principal	\$ 250,000	\$ 250,000	\$ 125,000	\$ 125,000
Interest and fiscal charges	197,530	197,530	100,253	97,277
<b>Total expenditures</b>	<b>447,530</b>	<b>447,530</b>	<b>225,253</b>	<b>222,277</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(447,530)</b>	<b>(447,530)</b>	<b>(225,253)</b>	<b>222,277</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	447,530	447,530	447,528	-
<b>Total other financing sources (uses)</b>	<b>447,530</b>	<b>447,530</b>	<b>447,528</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>222,275</b>	<b>\$ 222,277</b>
<b>FUND BALANCE:</b>				
Beginning of year			259,228	
End of year			\$ 481,503	

# City of Susanville

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

### Community Swimming Pool Debt Service Fund

For the year ended June 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Debt service:				
Principal	\$ 65,000	\$ 65,000	\$ 65,000	\$ -
Interest and fiscal charges	34,950	34,950	34,949	1
<b>Total expenditures</b>	<b>99,950</b>	<b>99,950</b>	<b>99,949</b>	<b>1</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(99,950)</b>	<b>(99,950)</b>	<b>(99,949)</b>	<b>1</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	99,950	99,950	99,948	(2)
<b>Total other financing sources (uses)</b>	<b>99,950</b>	<b>99,950</b>	<b>99,948</b>	<b>(2)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(1)</b>	<b>\$ (1)</b>
<b>FUND BALANCE:</b>				
Beginning of year			631	
End of year			\$ 630	

**City of Susanville**

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

**City Hall Parking Lot Project Fund**

**For the year ended June 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Other revenues	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>FUND BALANCE:</b>				
Beginning of year			13,848	
End of year			\$ 13,848	

## NON MAJOR ENTERPRISE FUNDS

*Airport Fund* accounts for the activities of the City's airport

*Geothermal Fund* accounts for the activities of providing geothermal heat to the residents of the City

*Golf Course Fund* accounts for the City's golf course

**City of Susanville**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2018**

	Airport Fund	Golf Course Fund	Geothermal Fund	Total Non-Major Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ -	\$ 400	\$ 258,402	\$ 258,802
Accounts receivable	32,096	4,394	6,216	42,706
Interest receivable	-	-	1,252	1,252
Prepaid expenses	-	190	249	439
Inventory	-	1,315	-	1,315
Total current assets	<u>32,096</u>	<u>6,299</u>	<u>266,119</u>	<u>304,514</u>
Noncurrent assets:				
Capital assets:				
Non-depreciable, net	284,451	2,168,107	249,124	2,701,682
Depreciable, net	<u>1,879,809</u>	<u>250,728</u>	<u>40,840</u>	<u>2,171,377</u>
Total capital assets	<u>2,164,260</u>	<u>2,418,835</u>	<u>289,964</u>	<u>4,873,059</u>
Total noncurrent assets	<u>2,164,260</u>	<u>2,418,835</u>	<u>289,964</u>	<u>4,873,059</u>
<b>Total assets</b>	<u>2,196,356</u>	<u>2,425,134</u>	<u>556,083</u>	<u>5,177,573</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	11,911	26,710	4,868	43,489
Accrued wages	-	-	-	-
Due to other funds	-	-	-	-
Accrued interest	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	28,072	-	28,072
Total current liabilities	<u>11,911</u>	<u>54,782</u>	<u>4,868</u>	<u>71,561</u>
<b>Total liabilities</b>	<u>11,911</u>	<u>54,782</u>	<u>4,868</u>	<u>71,561</u>
<b>NET POSITION</b>				
Investment in capital assets	2,164,260	2,418,835	289,964	4,873,059
Unrestricted	<u>20,185</u>	<u>(48,483)</u>	<u>261,251</u>	<u>232,953</u>
<b>Total net position</b>	<u>\$ 2,184,445</u>	<u>\$ 2,370,352</u>	<u>\$ 551,215</u>	<u>\$ 5,106,012</u>

**City of Susanville**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2018**

	Airport Fund	Golf Course Fund	Geothermal Fund	Total Non-Major Enterprise Funds
<b>OPERATING REVENUES:</b>				
Sales and charges for services	\$ 89,210	\$ 259,707	\$ 87,303	\$ 436,220
<b>Total operating revenues</b>	<b>89,210</b>	<b>259,707</b>	<b>87,303</b>	<b>436,220</b>
<b>OPERATING EXPENSES:</b>				
Direct:				
Administration	62,337	249,677	49,169	361,183
Depreciation and amortization	164,205	21,797	2,710	188,712
<b>Total direct operating expenses</b>	<b>226,542</b>	<b>271,474</b>	<b>51,879</b>	<b>549,895</b>
Indirect:				
Overhead allocation	47,140	27,005	45,375	119,520
Total indirect operating expenses	47,140	27,005	45,375	119,520
<b>Total operating expenses</b>	<b>273,682</b>	<b>298,479</b>	<b>97,254</b>	<b>669,415</b>
<b>OPERATING INCOME (LOSS):</b>	<b>(184,472)</b>	<b>(38,772)</b>	<b>(9,951)</b>	<b>(233,195)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest income	-	-	3,356	3,356
Interest expense and fiscal charges	(747)	(710)	-	(1,457)
Reimbursements	-	-	82	82
<b>Total nonoperating revenues (expenses)</b>	<b>(747)</b>	<b>(710)</b>	<b>3,438</b>	<b>1,981</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(185,219)</b>	<b>(39,482)</b>	<b>(6,513)</b>	<b>(231,214)</b>
Capital contributions	163,666	-	-	163,666
Transfers in	69,780	48,692	-	118,472
<b>Total transfers</b>	<b>69,780</b>	<b>48,692</b>	<b>-</b>	<b>118,472</b>
<b>Change in net position</b>	<b>48,227</b>	<b>9,210</b>	<b>(6,513)</b>	<b>50,924</b>
<b>NET POSITION:</b>				
Beginning of year	2,136,218	2,361,142	557,728	5,055,088
End of year	<b>\$ 2,184,445</b>	<b>\$ 2,370,352</b>	<b>\$ 551,215</b>	<b>\$ 5,106,012</b>

**City of Susanville**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2018**

	Airport Fund	Golf Course Fund	Geothermal Fund	Total Non-Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 81,010	\$ 242,700	\$ 88,298	\$ 412,008
Payments to suppliers and users	(34,697)	(17,908)	(41,298)	(93,903)
Payments to employees	(62,337)	(249,677)	(49,169)	(361,183)
<b>Net cash provided by operating activities</b>	<b>(16,024)</b>	<b>(24,885)</b>	<b>(2,169)</b>	<b>(43,078)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash receipts from other funds	69,780	48,692	-	118,472
<b>Net cash provided by noncapital financing activities</b>	<b>16,633</b>	<b>25,595</b>	<b>-</b>	<b>42,228</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets	(163,528)	-	-	(163,528)
Capital grants received	163,666	-	82	163,748
Interest paid	(747)	(710)	-	(1,457)
<b>Net cash used in capital and related financing activities</b>	<b>(609)</b>	<b>(710)</b>	<b>82</b>	<b>(1,237)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	-	-	2,682	2,682
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>-</b>	<b>2,682</b>	<b>2,682</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>-</b>	<b>595</b>	<b>595</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	-	400	257,807	258,207
End of year	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 258,402</u>	<u>\$ 258,802</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating income	\$ (184,472)	\$ (38,772)	\$ (9,951)	\$ (233,195)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	164,205	21,797	2,710	188,712
Changes in assets and liabilities:				
Accounts receivable	(8,200)	(2,365)	995	(9,570)
Prepaid expenses	1,938	-	950	2,888
Accounts payable	10,505	6,991	3,127	20,623
Accrued wages	-	-	-	-
Unearned revenue	-	(14,642)	-	(14,642)
<b>Total adjustments</b>	<b>168,448</b>	<b>13,887</b>	<b>7,782</b>	<b>190,117</b>
<b>Net cash provided by operating activities</b>	<b><u>\$ (16,024)</u></b>	<b><u>\$ (24,885)</u></b>	<b><u>\$ (2,169)</u></b>	<b><u>\$ (43,078)</u></b>

## INTERNAL SERVICE FUNDS

*Public Works Administration Fund* accounts for the City's public works administration activities

*Risk Administration Fund* accounts for the City's risk administration activities

*Retirement Benefits Fund* accounts for expenses related to other postemployment benefit costs.

**City of Susanville**  
**Combining Statement of Net Position**  
**All Internal Service Funds**  
**June 30, 2018**

	Public Works Administration Fund	Risk Management Fund	Retirement Benefits Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 197,308	\$ 594,690	\$ 25,225	\$ 817,223
Accounts receivable	-	65,329	-	65,329
Interest receivable	1,865	1,677	-	3,542
Prepaid expenses	364	2,490	-	2,854
Total current assets	199,537	664,186	25,225	888,948
<b>Total assets</b>	<b>199,537</b>	<b>664,186</b>	<b>25,225</b>	<b>888,948</b>
<b>LIABILITIES</b>				
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	7,052	-	816	7,868
Accrued wages	-	191,465	-	191,465
Compensated absences - due within one year	6,888	-	-	6,888
Sick leave conversion payable - due within one year	-	-	6,144	6,144
Total current liabilities	13,940	191,465	6,960	212,365
Noncurrent liabilities:				
Compensated absences - due in more than one year	16,998	-	-	16,998
Sick leave conversion payable - due in more than one year	-	-	18,265	18,265
Total noncurrent liabilities	16,998	-	18,265	35,263
<b>Total liabilities</b>	<b>30,938</b>	<b>191,465</b>	<b>25,225</b>	<b>247,628</b>
<b>NET POSITION</b>				
Unrestricted	168,599	472,721	-	641,320
<b>Total net position</b>	<b>\$ 168,599</b>	<b>\$ 472,721</b>	<b>\$ -</b>	<b>\$ 641,320</b>

**City of Susanville**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**All Internal Service Funds**  
**For the year ended June 30, 2018**

	Public Works Administration Fund	Risk Management Fund	Retirement Benefits Fund	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 755,091	\$ 806,912	\$ -	\$ 1,562,003
<b>Total operating revenues</b>	<b>755,091</b>	<b>806,912</b>	<b>-</b>	<b>1,562,003</b>
<b>OPERATING EXPENSES:</b>				
Administration	612,154	370,519	-	982,673
Insurance costs and claims	110,767	299,804	-	410,571
<b>Total operating expenses</b>	<b>722,921</b>	<b>670,323</b>	<b>-</b>	<b>1,393,244</b>
<b>OPERATING INCOME (LOSS)</b>	<b>32,170</b>	<b>136,589</b>	<b>-</b>	<b>168,759</b>
<b>NONOPERATING REVENUES EXPENSES:</b>				
Gain on sale of capital assets	-	-	-	-
Interest income	3,558	3,166	-	6,724
<b>Total nonoperating revenues (expenses)</b>	<b>3,558</b>	<b>3,166</b>	<b>-</b>	<b>6,724</b>
<b>Change in net position</b>	<b>35,728</b>	<b>139,755</b>	<b>-</b>	<b>175,483</b>
<b>NET POSITION:</b>				
Beginning of year	132,871	332,966	-	465,837
End of year	\$ 168,599	\$ 472,721	\$ -	\$ 641,320

**City of Susanville**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2018**

	Public Works Administration Fund	Risk Management Fund	Retirement Benefits Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from city charges	\$ 755,091	\$ 740,709	\$ -	\$ 1,495,800
Payment to suppliers and users	(112,247)	(300,690)	816	(412,121)
Payment to employees	(616,966)	(256,956)	(20,199)	(894,121)
<b>Net cash provided by (used in) operating activities</b>	<b>25,878</b>	<b>183,063</b>	<b>(19,383)</b>	<b>189,558</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash receipts from other funds	-	-	-	-
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest income received	2,197	3,166	-	5,363
<b>Net cash provided by investing activities</b>	<b>2,197</b>	<b>3,166</b>	<b>-</b>	<b>5,363</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>28,075</b>	<b>186,229</b>	<b>(19,383)</b>	<b>194,921</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	169,233	408,461	44,608	622,302
End of year	\$ 197,308	\$ 594,690	\$ 25,225	\$ 817,223
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 32,170	\$ 136,589	\$ -	\$ 168,759
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	-	(66,203)	-	(66,203)
Prepaid expenses	511	62	-	573
Accounts payable	(1,991)	(948)	816	(2,123)
Accrued wages	-	113,563	-	113,563
Compensated absences	(4,812)	-	-	(4,812)
Early retirement incentive	-	-	(13,432)	(13,432)
Sick leave conversion payable	-	-	(6,767)	(6,767)
Total adjustments	(6,292)	46,474	(19,383)	20,799
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 25,878</b>	<b>\$ 183,063</b>	<b>\$ (19,383)</b>	<b>\$ 189,558</b>

## FIDUCIARY FUNDS

*Section 125 Aflac/Wageworks* accounts for agency activities for Section 125 Aflac activities.

*LAFCO Fund*, accounts for agency activities for LAFCO.

*HUSA Business Improvement Fund* accounts for agency activities for HUSA.

*Air Pollution District Fund* accounts for agency activities for the Air Pollution District.

**City of Susanville**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Section 125 Aflac/Wageworks</b>				
<b>ASSETS</b>				
Cash and investments	\$ 3,018	\$ -	\$ (1,547)	\$ 1,471
Total Assets	<u>\$ 3,018</u>	<u>\$ -</u>	<u>\$ (1,547)</u>	<u>\$ 1,471</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	3,018	-	(1,547)	1,471
Total Liabilities	<u>\$ 3,018</u>	<u>\$ -</u>	<u>\$ (1,547)</u>	<u>\$ 1,471</u>
<b>LAFCO Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 39,768	\$ -	\$ (5,485)	\$ 34,283
Accounts receivable	-	-	-	-
Prepaid expense	899	26	-	925
Interest receivable	45	154	-	199
Total Assets	<u>\$ 40,712</u>	<u>\$ 180</u>	<u>\$ (5,485)</u>	<u>\$ 35,407</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,028	\$ 7,089	\$ (5,028)	\$ 7,089
Deposits payable	35,684	28,318	(35,684)	28,318
Total Liabilities	<u>\$ 40,712</u>	<u>\$ 35,407</u>	<u>\$ (40,712)</u>	<u>\$ 35,407</u>
<b>HUSA Business Improvement Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 7,559	\$ 10,642	\$ (7,559)	\$ 10,642
Accounts receivable	1,727	4,154	(1,727)	4,154
Total Assets	<u>\$ 9,286</u>	<u>\$ 14,796</u>	<u>\$ (9,286)</u>	<u>\$ 14,796</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 136	\$ -	\$ 136
Deposits payable	9,286	14,660	(9,286)	14,660
Other liabilities	-	-	-	-
Total Liabilities	<u>\$ 9,286</u>	<u>\$ 14,796</u>	<u>\$ (9,286)</u>	<u>\$ 14,796</u>
<b>Air Pollution District Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 646,760	\$ 484,487	\$ (646,760)	\$ 484,487
Accounts receivable	20,205	31,618	(20,205)	31,618
Interest receivable	1,149	1,958	(1,149)	1,958
Total Assets	<u>\$ 668,114</u>	<u>\$ 518,063</u>	<u>\$ (668,114)</u>	<u>\$ 518,063</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,000	\$ 1,499	\$ (3,000)	\$ 1,499
Deposits payable	665,114	516,564	(665,114)	516,564
Total Liabilities	<u>\$ 668,114</u>	<u>\$ 518,063</u>	<u>\$ (668,114)</u>	<u>\$ 518,063</u>

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>IRWMG</b>				
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ (803)	\$ (803)
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (803)</u>	<u>\$ (803)</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	(803)	(803)
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (803)</u>	<u>\$ (803)</u>
<b>Total Agency Funds</b>				
<b>ASSETS</b>				
Cash and investments	\$ 697,105	\$ 495,129	\$ (662,154)	\$ 530,080
Accounts receivable	21,932	35,772	(21,932)	35,772
Interest receivable	1,194	2,112	(1,149)	2,157
Prepaid expenses	899	26	-	925
Total Assets	<u>\$ 721,130</u>	<u>\$ 533,039</u>	<u>\$ (685,235)</u>	<u>\$ 568,934</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 8,028	\$ 8,724	\$ (8,028)	\$ 8,724
Deposits payable	713,102	559,542	(712,434)	560,210
Other liabilities	-	-	-	-
Total Liabilities	<u>\$ 721,130</u>	<u>\$ 568,266</u>	<u>\$ (720,462)</u>	<u>\$ 568,934</u>

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## **Statistical Section**

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

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 as of June 30, 2004; schedules presenting government-wide information, include information beginning in that year.

Schedule 1  
City of Susanville  
Net Position by Component,  
Last Fourteen Fiscal Years  
Accrual Basis of Accounting

	<b>Fiscal Year</b>				
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Governmental activities</b>					
Net investment in capital assets	\$ 2,154,482	\$ 2,525,295	\$ 2,648,771	\$ 2,480,051	\$ 2,274,687
Restricted	253,461	1,600,652	1,565,208	1,651,776	1,780,484
Unrestricted	3,378,973	3,515,171	3,830,893	4,404,242	5,396,427
<b>Total governmental activities net position</b>	<b>\$ 5,786,916</b>	<b>\$ 7,641,118</b>	<b>\$ 8,044,872</b>	<b>\$ 8,536,069</b>	<b>\$ 9,451,598</b>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 352,514	\$ 1,651,318	\$(3,892,035)	\$ 3,673,059	\$(2,285,127)
Restricted for Debt Service	2,373,866	3,328,579	3,089,827	2,971,552	2,864,661
Unrestricted	(844,764)	(3,708,004)	1,368,985	(5,823,491)	2,044,780
<b>Total business-type activities net position</b>	<b>\$ 1,881,616</b>	<b>\$ 1,271,893</b>	<b>\$ 566,777</b>	<b>\$ 821,120</b>	<b>\$ 2,624,314</b>
<b>Primary government</b>					
Net investment in capital assets	\$ 2,506,996	\$ 4,176,613	\$(1,243,264)	\$ 6,153,110	\$ (10,440)
Restricted	2,627,327	4,929,231	4,655,035	4,623,328	4,645,145
Unrestricted	2,534,209	(192,833)	5,199,878	(1,419,249)	7,441,207
<b>Total primary government net position</b>	<b>\$ 7,668,532</b>	<b>\$ 8,913,011</b>	<b>\$ 8,611,649</b>	<b>\$ 9,357,189</b>	<b>#####</b>

Source: City of Susanville's audited financial statements

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003-04.

(1) Net assets restated for prior period adjustment to comply with GASB 65

Fiscal Year									
2009	2010	2011	2012	2013	2014 (1)	2015	2016	2017	2018
\$ 2,062,283	\$ 1,849,411	\$ 1,829,076	\$ 2,308,372	\$ 2,012,346	\$ 1,857,866	\$ 2,419,492	\$ 2,861,071	\$ 3,011,863	\$ 3,175,697
1,547,711	1,568,520	1,498,398	4,528,631	4,087,019	4,440,352	3,939,682	3,228,998	3,091,763	2,694,959
5,607,906	5,810,858	5,908,797	2,409,681	2,510,650	(1,756,001)	(8,820,376)	(9,305,978)	(9,198,224)	(8,920,877)
<u>\$ 9,217,900</u>	<u>\$ 9,228,789</u>	<u>\$ 9,236,271</u>	<u>\$ 9,246,684</u>	<u>\$ 8,610,015</u>	<u>\$ 4,542,217</u>	<u>\$(2,461,202)</u>	<u>\$(3,215,909)</u>	<u>\$(3,094,598)</u>	<u>\$(3,050,221)</u>
\$(1,804,335)	\$(2,877,539)	\$ (990,783)	\$(2,692,970)	\$ (488,623)	\$(3,222,304)	\$(2,742,485)	\$(1,573,502)	\$(1,984,283)	\$(1,465,481)
2,864,798	2,864,195	2,287,718	2,289,356	2,446,070	2,445,921	2,446,530	2,446,094	2,447,781	2,453,021
2,269,768	3,649,199	3,672,627	6,180,214	5,049,590	8,308,203	7,722,700	6,449,364	7,568,558	8,237,205
<u>\$ 3,330,231</u>	<u>\$ 3,635,855</u>	<u>\$ 4,969,562</u>	<u>\$ 5,776,600</u>	<u>\$ 7,007,037</u>	<u>\$ 7,531,820</u>	<u>\$ 7,426,745</u>	<u>\$ 7,321,956</u>	<u>\$ 8,032,056</u>	<u>\$ 9,224,745</u>
\$ 257,948	\$(1,028,128)	\$ 838,293	\$ (384,598)	\$ 1,523,723	\$(1,364,438)	\$ (322,993)	\$ 1,287,569	\$ 1,027,580	\$ 1,710,216
4,412,509	4,432,715	3,786,116	6,817,987	6,533,089	6,886,273	6,386,212	5,675,092	5,539,544	5,147,980
7,877,674	9,460,057	9,581,424	8,589,895	7,560,240	6,552,202	(1,097,676)	(2,856,614)	(1,629,666)	(683,672)
<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>\$ 4,965,543</u>	<u>\$ 4,106,047</u>	<u>\$ 4,937,458</u>	<u>\$ 6,174,524</u>

Schedule 2  
City of Susanville  
Changes in Net Position  
Last Fourteen Fiscal Years  
Accrual Basis of Accounting

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Expenses</b>					
Governmental activities:					
General government	\$2,055,249	\$1,991,240	\$1,629,410	\$1,616,449	\$816,839
Public safety	3,451,988	3,407,302	3,398,809	3,537,646	3,696,206
Streets	887,797	763,635	663,794	884,532	1,427,687
Protective Inspections	213,806	190,003	203,979	212,454	244,966
Community services	473,055	415,340	328,252	504,755	325,669
Community development	255,211	185,535	867,183	336,742	462,648
Interest on long term debt	199,930	402,890	294,672	230,157	194,800
Total governmental activities expenses	<u>7,537,036</u>	<u>7,355,945</u>	<u>7,386,099</u>	<u>7,322,735</u>	<u>7,168,815</u>
Business-type activities:					
Rodeo	\$70,032	55,031	36,508	0	0
Airport	81,362	116,260	113,600	145,780	166,609
Water	1,442,121	2,207,464	2,200,070	2,180,730	2,145,401
Geothermal	190,297	207,914	104,637	46,800	63,868
Natural Gas	2,814,468	3,858,071	4,855,872	4,783,357	4,941,853
Swimming Pool (closed in 2004-05)	193,679	148,842	0	0	0
Day Care	130,794	140,657	140,796	133,493	118,160
Golf Course	1,036	7,701	6,400	37,749	99,865
Total business-type activities expenses	<u>4,923,789</u>	<u>6,741,940</u>	<u>7,457,883</u>	<u>7,327,909</u>	<u>7,535,756</u>
Total primary government expenses	<u>\$12,460,825</u>	<u>\$14,097,885</u>	<u>\$14,843,982</u>	<u>\$14,650,644</u>	<u>\$14,704,571</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$362,530	\$854,062	\$1,020,336	\$743,153	\$27,937
Public safety	273,909	448,104	179,907	308,352	121,247
Streets	97,142	277,403	0	265,907	
Protective Inspections	195,483	219,654	232,684	167,645	
Community services	24,349	31,918	4,784	5,932	8,931
Community development	44,159	48,584	45,392	48,620	176,485
Operating grants and contributions	2,834,407	675,192	890,930	690,816	1,178,902
Capital grants and contributions	0	53,172	337,178	494,448	1,098,653
Total governmental activities program revenues	<u>3,831,979</u>	<u>2,608,089</u>	<u>2,711,211</u>	<u>2,724,873</u>	<u>2,612,155</u>
Business-type activities:					
Charges for services:					
Rodeo	61,297	50,700	29,654	0	0
Airport	32,867	36,553	41,302	50,190	52,477
Water	1,796,393	2,118,368	2,046,516	2,064,187	2,049,605
Geothermal	250,742	223,565	71,124	73,653	69,389
Natural Gas	1,749,040	2,724,148	4,264,151	4,325,805	4,650,665
Swimming Pool	93,474	43,391	0	0	0
Day Care	98,485	134,231	121,386	117,446	107,890
Golf Course	0	0	0	0	0
Operating grants and contributions	25,666	174,347	202,667	283,641	439,104
Capital grants and contributions				438,934	1,672,609
Total business-type activities program revenues	<u>4,107,964</u>	<u>5,505,303</u>	<u>6,776,800</u>	<u>7,353,856</u>	<u>9,041,739</u>
Total primary government program revenues	<u>\$7,939,943</u>	<u>\$8,113,392</u>	<u>\$9,488,011</u>	<u>\$10,078,729</u>	<u>\$11,653,894</u>

Fiscal Year									
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
\$1,228,083	\$1,094,945	\$1,149,706	\$1,105,539	\$787,118	\$943,178	\$975,485	\$528,514	\$478,702	\$969,254
3,479,617	3,517,162	3,461,796	3,371,428	3,249,421	3,373,503	3,701,118	3,742,579	4,373,474	4,596,119
935,540	963,197	1,240,131	839,484	2,580,926	1,006,322	956,939	1,898,033	2,960,232	1,747,522
235,270	210,793	239,869	203,416	214,070	237,433	207,152	205,391	189,901	271,724
288,355	255,316	255,719	242,259	240,801	328,807	259,123	1,300,553	301,068	443,536
416,103	149,961	106,432	214,604	405,626	141,523	153,554	343,208	300,922	295,884
186,060	175,910	166,008	288,284	116,906	289,184	311,569	327,131	308,646	182,460
6,769,028	6,367,284	6,619,661	6,265,014	7,594,868	6,319,950	6,564,940	8,345,409	8,912,945	8,506,499
0	0	0	0	0	0	0	0	0	0
189,488	171,886	227,608	248,776	236,959	219,979	217,642	274,051	278,398	274,429
2,396,179	2,126,843	1,997,499	1,976,560	2,041,448	1,989,849	2,091,691	2,166,356	2,217,023	2,146,258
55,889	52,561	67,755	47,435	48,214	57,744	57,029	79,069	85,691	97,254
4,924,613	4,557,201	4,341,673	4,093,592	4,052,356	4,170,689	3,766,602	4,180,922	4,171,912	3,868,114
0	0	0	0	0	0	0	0	0	0
144,912	120,890	93,502	0	0	0	0	0	0	0
112,179	136,267	311,089	442,571	429,898	350,476	386,181	354,273	314,412	299,189
7,823,260	7,165,648	7,039,126	6,808,934	6,808,875	6,788,737	6,519,145	7,054,671	7,067,436	6,685,244
\$14,592,288	\$13,532,932	\$13,658,787	\$13,073,948	\$14,403,743	\$13,108,687	\$13,084,085	\$15,400,080	\$15,980,381	\$15,191,743
\$132,822	\$155,256	\$303,864	\$487,912	\$12,830	\$103,486	\$106,054	\$76,733	\$126,315	\$239,593
137,948	172,430	201,942	127,275	68,428	52,593	136,678	83,481	119,412	131,708
36,417	49,047	61,704	86,309	436	1,715	4,448	197,411	1,581	526
31,433	9,491	8,749	1,761	75,200	117,560	94,793	84,744	87,614	136,430
18,526	22,472	20,461	24,152	99,123	178,785	74,784	88,125	57,475	103,050
100,443	94,344	86,654	95,094	33,288	52,538	38,249	48,694	12,607	14,856
1,183,468	748,635	741,230	799,904	994,075	1,096,669	925,909	1,030,102	823,166	1,373,417
98,210	162,515	600,507	155,084	1,736,845	896,293	738,606	987,566	2,475,395	924,443
1,739,267	1,414,190	2,025,111	1,777,491	3,020,225	2,499,639	2,119,521	2,596,856	3,703,565	2,924,023
0	0	0	0	0	0	0	0	0	0
58,097	58,284	70,632	70,075	78,488	81,680	97,128	69,394	72,722	89,210
2,424,802	2,315,996	2,271,480	2,358,189	2,335,499	2,280,947	2,194,458	2,188,967	2,755,870	2,751,353
69,391	69,783	100,728	92,731	92,732	92,732	85,004	86,132	69,227	87,385
4,271,575	4,723,849	4,667,746	4,431,883	4,499,718	4,581,073	3,945,118	4,182,414	4,681,446	4,542,782
0	0	0	0	0	0	0	0	0	0
76,875	60,676	39,895	0	0	0	0	0	0	0
0	0	182,573	318,888	314,274	334,239	354,173	334,800	242,509	259,707
10,000	0	0	0	38,574	0	0	0	0	0
1,490,068	29,175	24,176	154,941	99,685	61,354	586,883	163,969	43,524	163,666
8,400,808	7,257,763	7,357,230	7,426,707	7,458,970	7,432,025	7,262,764	7,025,676	7,865,298	7,894,103
\$10,140,075	\$8,671,953	\$9,382,341	\$9,204,198	\$10,479,195	\$9,931,664	\$9,382,285	\$9,622,532	\$11,568,863	\$10,818,126

Schedule 2  
City of Susanville  
Changes in Net Position  
Last Fourteen Fiscal Years  
Accrual Basis of Accounting

	Fiscal Year				
	2004	2005	2006	2007	2008
Net (Expense)/Revenue					
Governmental activities	(\$3,705,057)	(\$4,747,856)	(\$4,674,888)	(\$4,597,862)	(\$4,556,660)
Business-type activities	(815,825)	(1,236,637)	(681,083)	25,947	1,505,983
Total primary government net expense	<u>(\$4,520,882)</u>	<u>(\$5,984,493)</u>	<u>(\$5,355,971)</u>	<u>(\$4,571,915)</u>	<u>(\$3,050,677)</u>
<b>General Revenues and Other Changes in</b>					
<b>Net Assets Governmental activities:</b>					
Taxes					
Property taxes	\$717,840	\$746,508	\$884,863	\$906,170	\$924,914
Sales taxes	1,605,629	1,516,274	1,263,661	1,398,022	1,326,767
Transient Lodging Taxes	354,338	462,246	465,369	523,774	517,214
Franchise taxes	47,608	45,275	39,161	48,027	55,428
Business license taxes	205,664	233,690	276,044	240,592	247,732
Other taxes	163,305	326,140	330,685	36,479	246,035
Property tax in lieu of sales tax, unrestricted	0	988,907	1,138,723	1,256,457	1,396,408
Property tax in lieu of VLF, unrestricted	0	308,668	417,836	506,153	419,193
Use of Money and Property	45,068	351,453	227,236	161,206	163,501
Gain (loss) on sale of capital assets				0	(6,491)
Miscellaneous revenues	0	277,911	227,752	42,099	100,101
Transfers	760,288	(239,569)	5,000	(29,920)	5,000
Total governmental activities	<u>3,899,740</u>	<u>5,017,503</u>	<u>5,276,330</u>	<u>5,089,059</u>	<u>5,395,802</u>
Business-type activities:					
Use of Money and Property	42,627	184,777	142,518	189,756	282,717
Gain on sale of capital assets				3,637	17,982
Miscellaneous revenues				5,083	1,512
Transfers	(760,288)	239,569	(5,000)	29,920	(5,000)
Total business-type activities	<u>(717,661)</u>	<u>424,346</u>	<u>137,518</u>	<u>228,396</u>	<u>297,211</u>
Total primary government	<u>3,182,079</u>	<u>5,441,849</u>	<u>5,413,848</u>	<u>5,317,455</u>	<u>5,693,013</u>
Change in Net Position					
Governmental activities	194,683	269,647	601,442	491,197	839,142
Business-type activities	(1,533,486)	(812,291)	(543,565)	254,343	1,803,194
Total primary government	<u>(\$1,338,803)</u>	<u>(\$542,644)</u>	<u>\$57,877</u>	<u>\$745,540</u>	<u>\$2,642,336</u>

Source: City of Susanville's audited financial statements

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003-04.

Fiscal Year									
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
(\$5,029,761)	(\$4,953,094)	(\$4,594,550)	(\$4,487,523)	(\$4,574,643)	(\$3,820,311)	(\$4,445,419)	(\$5,748,553)	(\$5,209,380)	(\$5,582,476)
577,548	92,115	318,104	617,773	650,095	643,288	743,619	(28,995)	797,862	1,208,859
(\$4,452,213)	(\$4,860,979)	(\$4,276,446)	(\$3,869,750)	(\$3,924,548)	(\$3,177,023)	(\$3,701,800)	(\$5,777,548)	(\$4,411,518)	(\$4,373,617)
913,055	829,452	824,578	757,463	859,457	1,455,797	858,107	877,382	915,021	942,800
1,193,085	1,076,014	1,081,602	1,161,677	1,162,834	1,118,328	1,209,899	1,449,788	2,017,089	2,145,343
405,860	380,354	366,382	391,546	379,119	400,724	442,376	455,099	507,981	520,158
45,197	48,855	60,840	49,988	24,493	49,776	24,242	36,767	34,409	26,211
235,283	231,796	227,101	220,339	226,004	221,939	237,758	241,985	278,286	200,760
70,723	188,948	105,350	79,625	45,175	39,786	37,731	42,996	40,227	48,364
1,488,666	298,882	409,887	304,260	428,017	384,924	358,806	349,848	0	0
474,943	1,523,051	1,461,838	1,407,887	1,362,579	1,335,361	1,353,298	1,389,739	1,354,666	1,545,612
(35,749)	29,896	28,872	61,101	12,535	34,761	11,607	39,206	46,938	63,022
0	0	0	0	0	0	7,514	0	0	0
0	351,735	142,288	59,050	0	0	0	0	0	0
5,000	5,000	(375,069)	5,000	(562,239)	(410,379)	(55,164)	111,036	136,074	134,583
4,796,063	4,963,983	4,333,669	4,497,936	3,937,974	4,631,017	4,486,174	4,993,846	5,330,691	5,626,853
120,656	27,132	25,297	21,743	18,103	18,698	24,380	35,242	48,312	118,413
0	0	0	0	0	0	0	0	0	0
12,713	42,542	20,098	276,346	0	0	0	0	0	0
(5,000)	(5,000)	375,069	(5,000)	562,239	410,379	55,164	(111,036)	(136,074)	(134,583)
128,369	64,674	420,464	293,089	580,342	429,077	79,544	(75,794)	(87,762)	(16,170)
4,924,432	5,028,657	4,754,133	4,791,025	4,518,316	5,060,094	4,565,718	4,918,052	5,242,929	5,610,683
(233,698)	10,889	(260,881)	10,413	(636,669)	810,706	40,755	(754,707)	121,311	44,377
705,917	156,789	738,568	910,862	1,230,437	1,072,365	823,163	(104,789)	710,100	1,192,689
\$472,219	\$167,678	\$477,687	\$921,275	\$593,768	\$1,883,071	\$863,918	(\$859,496)	\$831,411	\$1,237,066

Schedule 3  
City of Susanville  
Fund Balances - Governmental Funds,  
Last Fourteen Fiscal Years  
Modified Accrual Basis of Accounting

	<b>Fiscal Year</b>					
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
General Fund						
Reserved	\$83,392	\$102,413	\$305,858	\$370,296	\$418,932	\$434,141
Unreserved	711,771	844,902	971,144	1,281,067	1,608,564	1,838,236
Nonspendable						
Restricted						
Committed						
Assigned						
Unassigned						
Total general fund	<u>795,163</u>	<u>947,315</u>	<u>1,277,002</u>	<u>1,651,363</u>	<u>2,027,496</u>	<u>2,272,377</u>
All Other Governmental Funds						
Reserved	574,208	420,365	688,726	399,192	382,257	508,891
Unreserved, reported in:						
Special revenue funds	753,032	589,990	501,016	566,069	1,108,885	811,082
Capital projects funds	503,734	281,564	13,370	275,168	289,433	309,930
Debt Service Funds	(178,461)	1,657,994	1,620,694	1,712,950	1,840,120	1,604,737
Nonspendable						
Restricted						
Committed						
Assigned						
Unassigned						
Total all other governmental funds	<u>\$1,652,513</u>	<u>\$2,949,913</u>	<u>\$2,823,806</u>	<u>\$2,953,379</u>	<u>\$3,620,695</u>	<u>\$3,234,640</u>

Source: City of Susanville's audited financial statements

(1) The City includes advances to other funds as nonspendable

2010	2011	2012	2013	2014(1)	2015	2016	2017	2018
\$441,654	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2,010,551	0	0	0	0	0	0	0	0
	550,746	270,650	286,411	445,196	104,869	101,417	90,344	109,993
	17,931	18,011	0	18,145	18,196	18,196	18,375	18,615
	123,142	0	0	0	0	0	0	0
	13,776	25,212	14,776	17,066	63,462	63,462	113,679	303,927
	1,537,145	1,837,349	1,846,833	1,859,126	2,319,757	2,521,280	3,054,261	3,125,488
2,452,205	2,242,740	2,151,222	2,148,020	2,339,533	2,506,284	2,704,355	3,276,659	3,558,023
511,888	0	0	0	0	0	0	0	0
870,418	0	0	0	0	0	0	0	0
148,527	0	0	0	0	0	0	0	0
1,622,026	0	0	0	0	0	0	0	0
	0	0	742	0	0	0	0	0
	3,836,585	2,934,499	3,130,806	4,097,490	3,921,486	3,210,802	3,073,388	2,676,344
	0	0	0	0	0	0	0	0
	0	0	0	44,599	596,858	632,817	351,353	548,240
	(736,872)	(156,372)	(478,663)	0	0	0	0	(165,397)
\$3,152,859	\$3,099,713	\$2,778,127	\$2,652,885	\$4,142,089	\$4,518,344	\$3,843,619	\$3,424,741	\$3,059,187

Schedule 4  
City of Susanville  
Changes in Fund Balances - Governmental Funds  
Last Fourteen Fiscal Years  
Modified Accrual Basis of Accounting

	2004	2005	2006	2007	2008	2009
<b>Revenues</b>						
Taxes and assessments	\$3,191,838	\$4,019,990	\$4,518,116	\$5,113,507	\$4,749,716	\$4,591,529
Licenses and permits	195,483	324,535	258,277	189,740	151,143	103,413
Fines and forfeitures	28,343	41,118	54,872	67,621	74,585	47,614
Use of money and property	45,068	680,604	232,778	141,181	145,591	(45,822)
Intergovernmental revenues	2,567,689	1,001,651	1,228,108	1,185,264	2,277,555	1,157,971
Program income	0	138,092	590,316	1,103,399	222,302	53,969
Charges for services	132,043	1,322,127	1,115,460	792,797	318,628	308,690
Other revenues	810,967	763,810	608,611	333,591	276,331	356,862
<b>Total revenues</b>	<b>6,971,431</b>	<b>8,291,927</b>	<b>8,606,538</b>	<b>8,927,100</b>	<b>8,215,851</b>	<b>6,574,226</b>
<b>Expenditures</b>						
General government	1,553,060	1,806,528	1,591,271	1,399,497	722,770	996,337
Public safety	3,347,798	3,211,146	3,453,212	3,486,523	3,601,675	3,379,768
Streets	506,158	712,216	670,762	848,692	1,397,936	912,577
Protective Inspections	212,278	188,475	203,470	212,454	244,966	234,303
Community services	443,568	324,616	273,198	441,325	265,023	219,456
Community development	255,211	414,785	863,933	1,500,658	634,274	475,789
Capital Outlay	1,085,611	593,457	717,791	119,358	104,490	184,642
Debt service:						
Principal	245,192	213,106	400,559	152,884	144,355	135,000
Interest	191,951	375,182	290,388	217,507	191,019	182,529
Debt issuance cost						
<b>Total expenditures</b>	<b>7,840,827</b>	<b>7,839,511</b>	<b>8,464,584</b>	<b>8,378,898</b>	<b>7,306,508</b>	<b>6,720,400</b>
Excess (deficiency) of revenues over (under) expenditures	(869,396)	452,416	141,954	548,202	909,343	(146,174)
<b>Other Financing Sources (Uses)</b>						
Contributions from trust funds			56,626			
Transfers in	1,030,131	830,452	736,834	377,575	555,154	883,648
Transfers out	(696,723)	(1,073,316)	(731,834)	(421,843)	(550,154)	(878,648)
Payment to refunded debt escrow agent						
Proceeds from sale of capital asset						
Proceeds from debt issuance						
Proceeds of long-term debt						
<b>Total other financing sources (uses)</b>	<b>333,408</b>	<b>(242,864)</b>	<b>61,626</b>	<b>(44,268)</b>	<b>5,000</b>	<b>5,000</b>
<b>Net changes in fund balances</b>	<b>(535,988)</b>	<b>209,552</b>	<b>203,580</b>	<b>503,934</b>	<b>914,343</b>	<b>(141,174)</b>
Debt service as a percentage of non-capital expenditures	6.5%	8.1%	8.9%	4.5%	4.7%	4.9%

Source: City of Susanville's audited financial statements

Fiscal Year								
2010	2011	2012	2013	2014	2015	2016	2017	2018
\$4,345,556	\$4,537,578	\$4,372,785	\$4,498,960	\$5,035,959	\$4,495,698	\$4,907,453	\$5,104,539	\$5,493,736
100,231	92,956	100,385	74,183	101,323	78,350	86,142	87,084	114,154
34,400	26,667	20,246	31,203	24,301	95,579	99,371	94,449	79,169
26,242	17,202	11,477	27,504	54,042	45,589	72,112	83,168	94,655
812,150	1,299,139	990,261	2,722,868	1,985,090	1,293,514	1,999,435	3,280,340	2,302,882
67,644	60,693	36,831	50,400	14,824	27,271	2,910	2,910	20,000
331,481	98,356	76,106	66,244	71,367	74,323	83,214	151,018	307,453
719,459	602,319	651,310	43,270	249,062	150,233	261,704	45,330	62,007
6,437,163	6,734,910	6,259,401	7,514,632	7,535,968	6,260,557	7,512,341	8,848,838	8,474,056
969,963	944,718	661,910	605,024	753,719	859,783	559,612	459,732	1,028,544
3,417,876	3,359,711	3,286,106	3,247,121	3,285,119	3,478,557	3,705,924	3,908,056	4,299,489
948,044	1,224,596	816,587	2,663,852	973,660	973,736	2,003,878	2,974,325	1,734,312
209,633	238,709	202,256	218,394	229,397	205,594	213,935	191,767	258,145
193,714	193,759	181,416	185,481	209,120	199,819	1,274,122	284,846	427,010
265,687	247,892	214,604	311,528	216,459	153,555	356,909	307,596	287,325
25,910	106,003	200,718	83,207	64,123	182,134	315,516	57,939	50,707
140,000	145,000	160,000	135,216	236,367	390,777	427,488	513,770	424,876
173,289	162,064	154,957	94,110	168,604	430,116	313,639	307,056	182,421
		86,454	0	108,809	0	45,444	0	0
6,344,115	6,622,451	5,965,008	7,543,933	6,245,377	6,874,071	9,216,467	9,005,087	8,692,829
93,047	112,458	294,392	(29,301)	1,290,591	(613,514)	(1,704,126)	(156,249)	(218,773)
492,437	358,322	1,083,137	168,537	1,335,422	353,284	719,001	801,774	1,201,520
(487,437)	(733,391)	(1,093,137)	(775,416)	(1,058,395)	(455,583)	(693,029)	(494,940)	(1,066,937)
		(1,787,682)	0	(4,798,191)	0	0	0	0
			16,356	4,300	7,499	1,500	2,841	0
				4,907,000	0	1,200,000	0	0
		1,581,555	0	0	0	0	0	0
5,000	(375,069)	(216,127)	(590,523)	390,136	(94,800)	1,227,472	309,675	134,583
98,047	(262,611)	78,266	(619,823)	1,680,727	(708,314)	(476,654)	153,426	(84,190)
5.0%	4.7%	7.0%	3.1%	8.3%	12.3%	8.8%	9.2%	7.0%

Schedule 5  
 City of Susanville  
 Assessed Value and Estimated Actual Value of Taxable Property,  
 Last Thirteen Fiscal Years

<u>Fiscal Year</u>	<u>Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Less: Tax Exemptions</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2005	\$375,828,965	\$207,787	\$25,279,665	\$12,003,306	\$389,313,111	1.0090
2006	\$399,569,372	\$206,940	\$25,966,041	\$12,284,799	\$413,457,554	1.0096
2007	\$435,313,349	\$206,482	\$26,084,788	\$12,428,869	\$449,175,750	1.0008
2008	\$484,139,014	\$13,587	\$26,234,905	\$12,657,141	\$497,730,365	1.0000
2009	\$532,562,134	\$12,621	\$24,895,905	\$12,659,754	\$544,810,906	1.0279
2010	\$568,493,249	\$12,420	\$26,872,204	\$12,432,005	\$582,945,868	1.0264
2011	\$578,912,881	\$12,420	\$30,360,571	\$12,561,467	\$596,724,405	1.0268
2012	\$557,198,947	\$12,420	\$27,185,570	\$12,331,805	\$572,065,132	1.0288
2013	\$538,897,975	\$12,420	\$23,844,638	\$12,071,824	\$550,683,209	1.0324
2014	\$521,207,925	\$41,856	\$23,462,897	\$11,615,402	\$533,097,276	1.0389
2015	\$519,626,089	\$41,856	\$21,828,632	\$11,042,346	\$530,454,231	1.0379
2016	\$535,237,902	\$41,856	\$21,353,144	\$10,785,608	\$545,847,294	1.0396
2017	\$553,097,267	\$41,856	\$21,842,156	\$10,513,069	\$564,468,210	1.0396
2018	\$576,049,189	\$41,818	\$23,382,432	\$10,255,697	\$589,217,742	1.0544

Source:

Lassen County - Assessor's Office

Notes:

The voters of the State of California passed Proposition 13 in 1978 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property. Each year, the assessed value of property may be increased by an "Inflation factor" of no more than 2%. Property is assessed at 100% of the original purchase price and is reassessed upon each subsequent sale.

Tax rates are per \$1,000 of assessed value.

Schedule 6  
 City of Susanville  
 Direct and Overlapping Property Tax Rates,  
 Last Eighteen Fiscal Years  
 Rate per \$1,000 of assessed value

Fiscal Year	City Direct Rate		Overlapping Rates (a)		Total Direct Rate
	Basic Rate	Elementary School Bond	Elementary Bond 2009		
2000	1.0000	0.0605			1.0605
2001	1.0000	0.0586			1.0586
2002	1.0000	0.0606			1.0606
2003	1.0000	0.0606			1.0606
2004	1.0000	0.0598			1.0598
2005	1.0000	0.0090			1.0090
2006	1.0000	0.0096			1.0096
2007	1.0000	0.0008			1.0008
2008	1.0000				1.0000
2009	1.0000		0.0279		1.0279
2010	1.0000		0.0264		1.0264
2011	1.0000		0.0268		1.0268
2012	1.0000		0.0288		1.0288
2013	1.0000		0.0324		1.0324
2014	1.0000		0.0389		1.0389
2015	1.0000		0.0379		1.0379
2016	1.0000		0.0396		1.0396
2017	1.0000		0.0396		1.0396
2018	1.0000		0.0544		1.0544

Source:  
 Lassen County

Notes:  
 The city's basic property tax rate is the same rate as Lassen County.  
 Refer to Schedule 5 for explanation on direct rate limits.

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

Schedule 7  
City of Susanville  
Principal Property Tax Payers  
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2018</u>				<u>2009</u>		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (a)		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (a)
Banner Health System	22,658,314	1	3.85%	Wal-Mart	10,473,979	1	1.76%
Wal-Mart	11,539,491	2	1.96%	Rassier-Mariani	9,952,774	2	1.67%
Rassier-Mariani	11,264,283	3	1.91%	Triple E Investment Co. Inc.	8,968,996	3	1.50%
ACS Lassen Shopping Center	7,908,139	4	1.34%	Susanville Limited Partnership	6,728,458	4	1.13%
Ventas Eagle Lake LP	7,884,272	5	1.34%	Foxdale Associated LTD (Walgreens)	6,126,120	5	1.03%
Northeastern Rural	7,789,413	6	1.32%	Nolen Properties	5,435,290	6	0.91%
Foxdale Associates LTD	6,275,367	7	1.07%	Lassen Station LP	4,256,350	7	0.71%
Laguna Ranch LLC	4,437,068	8	0.75%	Trav-Cor & Investmetn Inc	4,172,301	8	0.70%
Triple E Investments	4,250,290	9	0.72%	Standiford, Larry & Reta	3,925,866	9	0.66%
Norton Investments III LLC	3,688,353	10	0.63%	Indar Kaur	3,494,111	10	0.59%
<b>Total</b>	<b>\$87,694,990</b>		<b>14.88%</b>		<b>63,534,245</b>		<b>10.66%</b>

Source:  
Lassen County Assessors Office

Notes:  
(a) For total taxable assessed value, see schedule 5.

Schedule 8  
City of Susanville  
Property Tax Levies and Collections,  
Last Fifteen Fiscal Years

Fiscal Year Ended June 30	County Taxes Levied	AB8 City Allocation Factor	Percent Growth	AB8 Allocations Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy		Amount	Percentage of Levy
2003	13,685,201	0.04209031	1.05503834	\$586,769	\$527,781	89.95%	\$54,571	\$582,352	99.25%
2004	13,940,708	0.04209031	1.05503834	\$597,587	\$560,471	93.79%	\$29,938	\$590,409	98.80%
2005	14,508,790	0.04118791	1.01843656	\$632,964	\$583,624	92.20%	\$32,765	\$616,389	97.38%
2006	15,302,568	0.04136327	1.03366934	\$684,095	\$613,665	89.70%	\$48,911	\$662,576	96.85%
2007	16,409,859	0.04168806	1.08078017	\$752,391	\$661,347	87.90%	\$43,224	\$704,571	93.64%
2008	18,125,879	0.04150919	1.09983310	\$818,267	\$707,387	86.45%	\$67,882	\$775,269	94.75%
2009	19,437,444	0.04209745	1.08755598	\$872,175	\$773,822	88.72%	\$67,890	\$841,712	96.51%
2010	20,699,884	0.04252227	1.06588089	\$909,755	\$773,350	85.01%	\$61,820	\$835,170	91.80%
2011	21,394,891	0.04143931	0.95963029	\$856,069	\$774,719	90.50%	\$29,476	\$804,195	93.94%
2012	21,394,891	0.04141142	0.96529843	\$861,126	\$820,883	95.33%	\$37,125	\$858,008	99.64%
2013	20,794,398	0.04141142	0.96946497	\$834,831	\$749,821	89.82%	\$76,606	\$826,427	98.99%
2014	19,640,765	0.04092502	0.97446787	\$782,647	\$771,169	98.53%	\$9,654	\$780,823	99.77%
2015	19,123,922	0.04124459	1.01338253	\$793,121	\$789,650	99.56%	\$6,153	\$795,803	100.34%
2016	19,229,690	0.04128233	1.02660700	\$814,223	\$802,646	98.58%	\$29,151	\$831,797	102.16%
2017	19,723,288	0.04093324	1.03134402	\$839,744	\$834,354	99.36%	\$34,541	\$868,895	103.47%
2018	20,330,453	0.04158277	1.07134905	\$899,659	\$896,963	99.70%		\$896,963	99.70%

Sources:

Lassen County Assessors Office

Notes:

Taxes levied are totals for Lassen County. Taxes are based on 1% of assessed value. Taxes are distributed using an AB8 allocation factor. Therefore, city tax amounts will not compute using this 1% as a basis.

Property Tax amounts collected for 2014 will not match the CAFR due to the City receiving the PTA fees from the County that were charged for the Property Tax In-Lieu payments and held in trust during the court disputes.

Schedule 9

City of Susanville

Ratios of Outstanding Debt by Type,  
Last Fifteen Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities					
	General Obligation Bonds (7)	Capital Leases (10)	Term Loans (8)	Special Assessment Bonds (3)	Total Governmental Activities	Revenue Bonds (6)	Term Loan (4)(9)	Certificate of Participation (6)	Capital Leases (5)(9)	Total Business-type Activities
2003	2,270,000	376,096		1,255,000	3,901,096	6,520,000	1,901	2,225,000	17,214	8,764,115
2004	2,215,000	185,904		1,200,000	3,600,904	6,405,000	973,390	24,240,000	5,572	31,623,962
2005	2,155,000	87,798		1,145,000	3,387,798	9,610,000	963,000	24,240,000	4,669	34,817,669
2006	2,095,000	52,238		1,140,000	3,287,238	9,480,000	953,000	24,240,000	4,669	34,677,669
2007	2,035,000	19,549		1,080,000	3,134,549	9,345,000	943,000	24,240,000		34,528,000
2008	1,975,000	0		1,015,000	2,990,000	9,200,000	1,285,222	24,240,000		34,725,222
2009	1,910,000	0		945,000	2,855,000	9,050,000	1,306,123	24,240,000		34,596,123
2010	1,845,000	0		870,000	2,715,000	9,050,000	1,336,194	24,240,000	77,034	34,703,228
2011	1,780,000	0		790,000	2,570,000	34,860,000	1,321,967		58,608	36,240,575
2012		1,581,555		700,000	2,281,555	34,230,000	1,330,615		39,063	35,599,678
2013		1,541,339		600,000	2,141,339	33,900,000	1,329,587		18,297	35,247,884
2014		1,457,972	4,859,000	500,000	6,816,972	33,440,000	856,000			34,296,000
2015		1,370,195	4,666,000	390,000	6,426,195	32,955,000	841,000			33,796,000
2016		2,480,708	4,448,000	270,000	7,198,708	32,445,000	826,000			33,271,000
2017		2,324,718	4,221,000	140,000	6,685,718	31,905,000	810,000			32,715,000
2018		2,164,842	4,096,000	0	6,260,842	31,010,949	793,000			31,803,949

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) Personal Income for the City is unavailable. Substituted property values in this calculation. See Schedule 5 for values.
- (2) Population data can be found in schedule 13.
- (3) Payment for this bond is responsibility of property owners within the assessment district.
- (4) In 2008 the Golf Course Loan was established
- (5) In 2010 the Golf Course entered into a Capital Lease to acquire new equipment.
- (6) In August of 2010, The Susanville Public Financing Authority issued new Revenue Refinancing Bonds and paid off the 2000 & 2004 Water Revenue Bonds and the Series 2003, A, B, & C Certificate of Participation Natural Gas Bonds
- (7) In June 2012, The Susanville Public Financing Authority issued a new lease financing (City Hall Refunding Project) and paid off the 2002 Refunding Lease Bonds with Union Bank
- (8) In September 2013, the City entered into a loan agreement to pay off the City's side fund liability with CalPERS
- (9) City paid off the Golf Course Loan and Golf Course Equipment Lease
- (10) In September 2015 the City entered into a capital lease (\$1,200,000) with Umpqua Bank to finance the City portion due to

Total Primary Government	Percentage of Property Values (1)	Per Capita (2)
12,665,211		
35,224,866		
38,205,467	9.05%	3,778
37,964,907	9.24%	4,123
37,662,549	8.45%	4,149
37,715,222	7.57%	4,143
37,451,123	6.92%	4,143
37,418,228	6.42%	4,165
38,810,575	6.27%	3,901
37,881,233	6.78%	4,150
37,389,223	6.88%	3,989
41,112,972	7.01%	4,089
40,222,195	7.75%	4,504
40,469,708	7.37%	4,651
39,400,718	7.17%	4,700
38,064,791	6.69%	4,572

Schedule 10  
City of Susanville  
Legal Debt Margin Information  
Last Thirteen Fiscal Years

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
Assessed Valuation	\$389,313,111	\$413,457,554	\$449,175,750	\$497,730,365	\$544,810,906	\$582,945,868
Conversion Percentage	25%	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	\$97,328,278	\$103,364,389	\$112,293,938	\$124,432,591	\$136,202,727	\$145,736,467
Debt Limit Percentage	15%	15%	15%	15%	15%	15%
Debt Limit	\$14,599,242	\$15,504,658	\$16,844,091	\$18,664,889	\$20,430,409	\$21,860,470
Total net debt applicable to limit	\$2,155,000	\$2,095,000	\$2,035,000	\$1,975,000	\$1,910,000	\$1,845,000
Legal debt margin	\$12,444,242	\$13,409,658	\$14,809,091	\$16,689,889	\$18,520,409	\$20,015,470
Total net debt applicable to the limit as a percentage of debt limit	14.8%	13.5%	12.1%	10.6%	9.3%	8.4%

Source:  
Lassen County Assessors Office  
City of Susanville Finance Department

Notes:  
The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. With the implementation of Prop 13, property is now assessed at 100% of market value (as of the most recent ownership of that parcel). The computations above reflect the 25% conversion from full valuation that would have been in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

**Refunding of unfunded liability owed to CalPERS constitutes an obligation imposed by law and therefore is exempt from the voter approval requirement of the California Constitution's debt limitation provision (Article XVI, section 18), therefore the amounts have been removed from the 2014, 2015 years**

Fiscal Year							
2011	2012	2013	2014	2015	2016	2017	2018
\$596,724,405	\$572,065,132	\$550,683,209	\$533,097,276	\$530,454,231	\$545,847,294	\$564,468,210	\$589,217,742
25%	25%	25%	25%	25%	\$0	\$0	\$0
\$149,181,101	\$143,016,283	\$137,670,802	\$133,274,319	\$132,613,558	\$136,461,824	\$141,117,053	\$147,304,436
15%	15%	15%	15%	15%	15%	15%	15%
\$22,377,165	\$21,452,442	\$20,650,620	\$19,991,148	\$19,892,034	\$20,469,274	\$21,167,558	\$22,095,665
\$1,780,000	\$1,581,555	\$1,541,339	\$1,457,972	\$1,370,195	\$2,480,708	\$2,324,718	\$2,164,842
\$20,597,165	\$19,870,887	\$19,109,281	\$18,533,175	\$18,521,839	\$17,988,566	\$18,842,840	\$19,930,823
8.0%	7.4%	7.5%	7.3%	6.9%	12.1%	11.0%	9.8%

Schedule 11  
 City of Susanville  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30

<u>Governmental Unit:</u>	<u>Outstanding Debt 6/30/18</u>	<u>Estimated Percentage Applicable</u>	<u>City's Share of Overlapping Debt</u>
Susanville School Bond	\$7,490,160	100%	<u>\$7,490,160</u>
			\$7,490,160
			<u>\$2,164,842</u>
			<u>\$9,655,002</u>

Sources: Lassen County.

Note: First principal payment on current bonds not owed until 2020.  
 Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Susanville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property tax payers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government

Schedule 12  
City of Susanville  
Ratios of General Bonded Debt Outstanding  
Last Thirteen Fiscal Years

General Bonded Debt Outstanding					Percentage of Actual Taxable Value of Property	Per Capita (a)
Fiscal Year	General Obligation Bonds	Capital Leases	CalPERS Refunding Loans	Total		
2005	2,155,000	87,798		2,242,798	0.58%	241
2006	2,095,000	52,238		2,147,238	0.52%	232
2007	2,035,000	19,549		2,054,549	0.46%	225
2008	1,975,000			1,975,000	0.40%	217
2009	1,910,000			1,910,000	0.35%	210
2010	1,845,000			1,845,000	0.32%	205
2011	1,780,000			1,780,000	0.30%	186
2012		1,581,555		1,581,555	0.28%	169
2013		1,541,339		1,541,339	0.28%	162
2014		1,457,972	4,859,000	6,316,972	1.18%	691
2015		1,370,195	4,666,000	6,036,195	1.14%	661
2016		2,480,708	4,448,000	6,928,708	1.27%	801
2017		2,324,718	4,221,000	6,545,718	1.16%	760
2018		2,164,842	4,096,000	6,260,842	1.06%	726

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) Population data can be found in Schedule 13

Schedule 13  
City of Susanville  
Pledged Revenue Coverage  
Last Fourteen Fiscal Years

Water Revenue Bonds							
Fiscal Year	Gross Income and Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2004	\$ 1,804,093	\$ 1,088,017	\$ 716,076	\$ 115,000	\$ 373,114	1.47	
2005	2,327,816	1,338,483	989,333	134,440	503,440	1.54	
2006	2,188,482	1,313,937	874,545	140,000	553,358	1.26	
2007	2,255,916	1,333,562	922,354	145,000	547,213	1.33	
2008	2,225,392	1,280,646	944,746	156,000	540,691	1.36	
2009	2,514,097	1,531,625	982,472	161,000	532,967	1.42	
2010	2,370,463	1,269,644	1,100,819	172,000	526,020	1.58	
2011	2,296,647	1,274,530	1,022,117	355,000	282,626	1.60	
2012	2,509,812	1,197,900	1,311,912	250,000	384,735	2.07	
2013	2,345,393	1,246,419	1,098,974	255,000	382,235	1.72	
2014	2,290,494	1,286,924	1,003,570	255,000	378,735	1.58	
2015	2,199,120	1,365,308	833,812	260,000	375,669	1.31	
2016	2,193,392	1,425,673	767,719	265,000	371,119	1.21	
2017	2,794,591	1,479,844	1,314,747	270,000	366,384	2.07	
2018	2,722,257	1,477,798	1,244,459	275,000	359,075	1.96	

Natural Gas Revenue Bonds							
Fiscal Year	Gross Income and Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2004	\$ 1,749,040	\$ 1,656,334	\$ 92,706	\$ -	\$ 1,414,075	0.07	
2005	2,724,148	1,908,214	815,934	-	1,414,075	0.58	
2006	4,264,151	2,920,251	1,343,900	-	1,414,075	0.95	
2007	4,327,730	2,941,944	1,385,786	-	1,414,075	0.98	
2008	4,650,665	3,010,223	1,640,442	-	1,414,075	1.16	
2009	4,426,856	2,999,389	1,427,467	-	1,414,075	1.01	
2010	4,728,040	2,622,739	2,105,301	-	1,414,075	1.49	
2011	4,680,593	2,914,924	1,765,669	-	1,035,641	1.70	
2012	4,570,796	2,164,607	2,406,189	25,000	1,417,565	1.67	
2013	4,507,141	2,222,000	2,285,141	75,000	1,417,106	1.53	
2014	4,589,502	2,385,745	2,203,757	205,000	1,414,761	1.36	
2015	3,956,377	1,956,454	1,999,923	225,000	1,409,594	1.22	
2016	4,200,070	2,431,844	1,768,226	245,000	1,402,155	1.07	
2017	4,725,382	2,468,943	2,256,439	270,000	1,393,731	1.36	
2018	4,606,134	2,223,087	2,383,047	300,000	1,384,450	1.41	

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
Operating expenses do not include principal, interest, depreciation, amortization or grant expenses.  
(a) Special Assessment Collections will not tie to the financial statement due to the yearly principal payment being booked to the revenue account to reduce the investment in bonds on the balance sheet  
(b) In June 2012, the City refinanced the 2002 Refunding Lease Revenue Bonds held with Union Bank. The new lease agreement with Compass bank did not require any pledged revenues.  
(c) The new CalPERS refunding loan did not require any pledged revenue. Loan is being reported in governmental debt service, but will be charged to all funds that incur payroll expenses based on a formula

Miller /Fletcher Assessment Bonds

Special (a) Assessment Collections			
	Debt Service		
	Principal	Interest	Coverage
72,163	50,000	98,750	0.49
572,406	55,000	94,744	3.82
417,794	55,000	90,481	2.87
228,473	60,000	86,025	1.56
112,407	65,000	81,181	0.77
138,964	70,000	75,950	0.95
236,383	75,000	70,331	1.63
146,991	80,000	64,325	1.02
124,871	90,000	57,738	0.85
106,282	95,000	55,069	0.71
129,324	105,000	42,819	0.87
128,052	110,000	34,488	0.89
149,933	120,000	25,565	1.03
1,799	130,000	15,888	0.01
0	140,000	5,425	0.00

City Hall Improvement Lease (b)

Vehicle License Fees	Property Tax In Lieu of VLF	Debt Service		Coverage
		Principal	Interest	
952,051	0	55,000	107,930	5.84
120,328	988,907	60,000	106,605	6.66
174,072	1,138,723	60,000	105,015	7.96
116,605	1,256,457	60,000	103,215	8.41
83,753	1,396,408	60,000	101,265	9.18
63,206	1,488,666	65,000	99,043	9.46
54,597	1,523,051	65,000	96,573	9.76
85,151	1,461,838	65,000	94,005	9.73
9,022	1,407,887	70,000	91,235	8.79
		40,216	40,747	
		83,367	53,215	
		87,777	50,273	
		88,707	47,943	
		90,989	44,036	
		94,876	40,819	

Schedule 14

City of Susanville and County of Lassen

Demographic and Economic Statistics

Last Eighteen Years

Fiscal Year	City Population	Prison Population	Total City & Prison Population	Total County Population	County Personal Income	County Per Capita Personal Income	City Unemployment Rate
2000	8,620	8,469	17,089	33,960	\$589,375,000	\$17,355	6.90%
2001	8,733	8,676	17,409	33,883	\$605,104,000	\$17,859	7.10%
2002	8,936	8,456	17,392	34,183	\$628,276,000	\$18,380	7.50%
2003	9,216	8,670	17,886	34,955	\$666,873,000	\$19,078	7.50%
2004	9,099	9,000	18,099	34,846	\$708,056,000	\$20,320	7.40%
2005	9,323	9,001	18,324	35,455	\$736,266,000	\$20,766	7.70%
2006	9,267	9,070	18,337	35,452	\$783,732,000	\$22,107	7.60%
2007	9,151	8,987	18,138	36,375	\$824,244,000	\$23,563	7.80%
2008	9,091	8,479	17,570	35,757	\$888,241,000	\$25,375	9.10%
2009	9,104	8,298	17,402	35,550	\$923,137,000	\$26,721	12.70%
2010	8,992	8,439	17,431	35,889	\$960,891,000	\$27,603	17.10%
2011	9,591	7,963	17,554	34,577	\$986,835,000	\$28,855	16.50%
2012	9,352	7,442	16,794	34,167	\$1,095,589,000	\$32,552	12.40%
2013	9,496	6,482	15,978	33,422	\$1,093,396,000	\$33,995	10.60%
2014	9,143	6,689	15,832	32,581	\$1,061,423,000	\$33,432	11.40%
2015	9,129	6,380	15,509	32,092	\$1,085,466,000	\$34,630	9.00%
2016	8,648	5,966	14,614	30,780	\$1,155,947,000	\$37,446	10.30%
2017	8,611	6,435	15,046	30,918	n/a	n/a	6.90%
2018	8,618	6,336	14,954	30,911	n/a	n/a	6.70%

Sources:

Personal income and unemployment data - Labor Market Info - Employment Development Department

City and County population - State of California Department of Finance Demographic

Total County population includes the correctional facilities

Schedule 15  
City of Susanville  
Principal Employers  
Current Year and Nine Years Ago

Employer (b)	2018			Employer	2009		
	Employees	Rank	Percentage of Total City Employment (a)		Employees	Rank	Percentage of Total City Employment (a)
High Desert State Prison	1237	1	28.50%	High Desert State Prison	1504	1	30.20%
California Correctional Center	1078	2	24.84%	California Correctional Center	1268	2	25.46%
Lassen County	430	3	9.91%	Lassen County	464	3	9.32%
Banner Lassen Medical Center	208	4	4.79%	Wal-Mart	226	4	4.54%
Wal-Mart	176	5	4.06%	Banner Lassen Medical Center	200	5	4.02%
Lassen Community College	161	6	3.71%	Diamond Mountain Casino	159	6	3.19%
Susanville School District	153	7	3.53%	Lassen Community College	153	7	3.07%
Diamond Mountain Casino	142	8	3.27%	Susanville Indian Rancheria	143	8	2.87%
Northeastern Rural Health	112	9	2.58%	Susanville School District	141	9	2.83%
Susanville Indian Rancheria	110	10	2.53%	Lassen Union High School	122	10	2.45%
Safeway	92	11	2.12%	Northeastern Rural Health	110	11	2.21%
City of Susanville	90	12	2.07%	Countryvilla Riverview Rehab	105	12	2.11%
Lassen Union High School	78	13	1.80%	Safeway	100	13	2.01%
Susanville Supermarket	53	14	1.22%	City of Susanville	62	14	1.24%
Lassen Nursing & Rehab	46	15	1.06%	Susanville Supermarket	52	15	1.04%
	<u>4166</u>		<u>95.99%</u>		<u>4809</u>		<u>96.57%</u>

Source:  
Employment Development Department, Lassen County Chamber of Commerce

Notes:  
(a) Total Labor Force for the City is 4340 (2018) and 4980 (2009)  
(b) Employers listed are within the city limits or have been annexed.

Schedule 16  
City of Susanville  
Full-time City Governmental Employees by Function/Program,  
Last Eighteen Fiscal Years

	Fiscal Year								
	2000	2001	2002	2003	2004	2005	2006	2007	2008
Administration	3.1	3.4	3.4	3.5	3.5	2.5	2.5	2.5	2.5
City Clerk	4.1	4.1	4.1	1.5	1.5	1.5	1.5	1.5	1.5
Finance	6.5	6.5	6.5	7	7	7	6	6	6
Police	23	24	24	24	22	22	20	21	20
Fire	8.8	9.7	9.7	11	10.5	8.5	8.5	9	11
Community Development	10	9.8	9.8	5	4.5	4.5	4.5	4	4
Community Services	5.9	6.9	6.9	9	9	8	5	6	3
Public Works	16.6	18.6	18.6	19	20	17	18	18	18
Total	78	83	83	80	78	71	66	68	66

Source:  
City Finance Department

Notes:  
Number differs from principal employers due to temporary employees included  
A full-time employee is scheduled to work 2,080 hours per year.

**Fiscal Year**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
2.5	2.5	1.25	1.75	3.5	3.5	3.5	3.5	3.5	3.5
1.5	1.5	1	1	1.5	1.5	1.5	1.5	1.5	1.5
6	5	5	4.5	4	5	5	5	5	5
20	19	18	18	17	19	20	20	20	20
11	11	9	9	9	9	9	9	9	9
3	3	3.75	3.75	3	3	3	3	3	3
2	2	1	1	1	1	1	1	1	1
18	18	18	18	20	20	21	21	20	20
64	62	57	57	59	62	64	64	63	63

Schedule 17  
City of Susanville  
Operating Indicators by Function/Program,  
Last Seventeen Fiscal Years

Function/Program	Fiscal Year																	
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 **	2018
General Government																		
Building Permits Issued	300	377	465	532	453	467	352	281	332	262	260	342	264	317	336	174	322	362
Building Inspections Conducted	n/a	690	1094	1452	1821	2249	1921	1152	1145	716	574	884	915	843	788	429	858	784
Police																		
Physical arrests	634	578	601	485	681	479	400	565	483	532	609	712	663	487	496	546	529	459
Parking violations	0	0	0	271	819	498	401	338	256	248	159	122	114	74	111	124	267	166
Traffic violations	677	1093	472	425	650	724	832	1180	790	834	564	432	469	182	374	361	169	237
Fire																		
Emergency responses	738	1098	1067	1087	1311	1309	1383	1390	1467	1552	1586	770	784	853	1137	1193	1259	1187
Fires extinguished	72	84	70	73	82	96	89	94	67	81	51	46	47	49	49	69	71	59
Inspections	n/a	n/a	n/a	406	217	350	224	n/a	201	252	200	44	47	122	124	105	117	85
Public Works																		
Street resurfacing (miles)	0	6.27	0	0	0	0.25	0	2.3	0	1	1.2	1.21	2.2	2.1	0	0.79	3.73	1.69
Potholes repaired	110	75	125	150	150	180	165	172	168	159	280	187	147	205	348	197	400	375
Community Services																		
Athletic field permits issued	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	
Water																		
New connections	16	31	41	91	34	8	68	-12	22	0	0	0	0	2	2	4	2	0
Average daily consumption (thousands of gallons)	3026	3057	2954	3039	3152	2758	2116	2123	3173	1931	1833	1949	2121	2708	1849	1547	1768	1800
Peak daily consumption (thousands of gallons)	4932	5055	4394	4642	4900	4777	4809	5308	5500	5500	3484	4258	3637	5230	5041	3859	3643	3594
Natural Gas																		
New connections		1480	329	323	124	69	109	73	84	71	63	90	134	174	78	52	20	28
Average daily consumption MMBTU's		246	328	441	457	513	499	539	472	553	579	548	565	*	505	561	633	619
Peak daily consumption MMBTU's		481	824	768	834	870	1044	1099	980	887	913	1116	1403	1795	1595	1795	1838	1555

Sources:  
Various City Departments

Notes:  
City's Natural Gas Department began operating in 2002  
1 MMBTU equals one million British thermal units  
\* Corrected average daily consumption for 2014  
\*\* Corrected prior year meter installations

Schedule 18  
City of Susanville  
Capital Asset Statistics by Function/Program  
Last Seventeen Fiscal Years

Function/Program	Fiscal Year																	
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police																		
Stations	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Patrol units	7	7	7	7	7	8	7	8	13	14	14	13	13	13	14	14	14	12
Fire																		
Fire Stations	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Fire engines	5	5	5	5	6	6	6	6	6	7	7	7	7	7	6	6	6	6
Public works																		
Streets (miles)	53	53	53	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54
Highways (miles)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Street lights	494	496	502	512	528	532	532	532	532	532	532	532	532	534	534	534	534	534
Traffic signals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community Services																		
Parks acreage	97	97	97	147	147	147	147	147	147	147	147	147	147	147	147	147	147	147
Playgrounds	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Baseball/softball diamonds	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Soccer/football fields	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Museums	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Water																		
Water mains (miles)	63	63	64	64	65	65	65	65	65	65	65	65	65	65	65	65	65	65
Fire Hydrants	344	352	356	371	389	396	403	403	410	414	416	422	429	432	434	434	434	434
Storage capacity (thousands of gallons)	2000	2000	3000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000
Water meters	3436	3467	3508	3599	3633	3641	3709	3788	3797	3807	3800	3803	3803	3805	3807	3811	3813	3813
Natural Gas																		
Gas mains (miles)	44	56	56	56	57	57	59	59	59	60	61	61	61	61	61	61	61	61
Gas meters		1480	1809	2063	2143	2212	2281	2462	2546	2630	2694	2785	2901	3075	3153	3180	3200	3228

Sources:  
Various City departments

Notes:  
Traffic Signals and Highways are owned by CalTrans.  
City's Natural Gas Department began operating in 2002  
In December 2005, Roosevelt Pool was closed due to structural damage to the building that housed the pool.  
Fire Engines includes Ladder Trucks  
Fire Department provided corrected fire hydrant numbers for 2011-2014

Schedule 19  
City of Susanville  
Water Department  
Water Sold by Type of Customer  
Last Fourteen Fiscal Years  
(In Millions of Gallons)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Residential	569.45	548.37	567.09	558.7	549.86	541.7	514.31
Commercial	245.6	216.2	209.1	214.91	205.6	206.75	190.50
Total	815.0	764.5	776.2	773.6	755.5	748.5	704.8
Water Sales	\$1,796,393	\$2,118,368	\$2,046,516	\$2,064,187	\$2,049,605	\$2,424,802	\$2,315,996
City Direct Rate Per Gallon	0.0022	0.0028	0.0026	0.0027	0.0027	0.0032	0.0033

Source:  
City of Susanville Finance Department

Notes:  
Total Water Revenue equals charges for services as found in schedule 2.  
Ten years of data unavailable due to software conversion.  
Data will be accumulated from 2004 forward.

<b>Fiscal Year</b>							
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
478.38	519.60	548.43	487.15	485.07	414.54	446.83	435.91
190.24	191.80	225.28	202.28	197.26	158.21	169.11	178.95
668.6	711.4	773.7	689.43	682.34	572.75	615.94	614.86
\$2,271,480	\$2,358,189	\$2,333,534	\$2,280,209	\$2,185,204	\$2,187,569	\$2,725,529	\$2,750,970
0.0034	0.0033	0.0030	0.0033	0.0032	0.0038	0.0044	0.0045

Schedule 20  
City of Susanville  
Water Department  
Water Rates  
Last Fourteen Fiscal Years

Fiscal Year Ended June 30	Monthly Base Rates	Infrastructure Surcharge	Average Rate per 1,000 Gallons
2004	\$12.85		\$1.23
2005	\$16.50		\$1.41
2006	\$18.20		\$1.41
2007	\$18.20		\$1.41
2008	\$18.20		\$1.41
2009	\$23.65	(A)	\$1.66
2010	\$23.65	(A)	\$1.66
2011	\$23.65	(A)	\$1.66
2012	\$23.65	(A)	\$1.66
2013	\$23.65	(A)	\$1.66
2014	\$23.65	(A)	\$1.66
2015	\$23.65	(A)	\$1.66
2016	\$23.65	(A)(B)	\$3.42/\$2.86
2017	\$23.65	\$15.00 (A)(C)	\$2.18/\$1.51
2018	\$23.65	\$15.00 (A)(C)	\$2.18/\$1.51

Source

City of Susanville Finance Department

Notes:

Rates are based on 5/8" meter, which is standard household meter size.

Commercial accounts charged differently based on meter size.

(A) First 300 cubic feet now included in base rate.

(B) Resolution No. 16-5297 set new water rates based on the 2016 Water Rate Analysis and Calculation report.

This study put an end to the old tiered usage system and adopted rates for irrigation (April - October) and non-irrigation (November - March) watering season.

(C) Resolution No. 16-5339 set new water rates based on a revised 2016 Water Rate Analysis and Calculation report.

This revised study recalculated the cost to provide the service by removing some of the Capital Improvement Projects.

New irrigation and non-irrigation season rates were adopted along with a monthly infrastructure surcharge based on meter size.

Schedule 21  
City of Susanville  
Water Department  
Top Ten Water Customers  
Current Year and Nine Years Ago

Water Customer	2018			2009	
	Water Charges (a)	Percent of Total Water Revenues		Water Charges (a)	Percent of Total Water Revenues
Lassen County	\$58,452	2.12%	Lassen County	\$76,078	3.14%
Susanville Indian Rancheria/Casino	\$38,036	1.38%	Susanville Indian Rancheria	\$40,644	1.68%
Lassen Community College	\$34,042	1.24%	Lassen High School	\$31,599	1.30%
City of Susanville	\$26,041	0.95%	Lassen County Fairgrounds	\$23,471	0.97%
Hidden Acres Mobile Home Park	\$17,350	0.63%	Hidden Acres	\$22,768	0.94%
Diamond View School	\$14,665	0.53%	Diamond View School	\$19,582	0.81%
Meadowview Elementary School	\$11,551	0.42%	Meadowview School	\$16,911	0.70%
Citrus Manor Apartments	\$8,622	0.31%	Meadowbrook Apartments	\$15,427	0.64%
Walmart	\$6,935	0.25%	Mathfallu Properties	\$12,450	0.51%
Drumm, Marie & Fred	\$6,742	0.25%	Citrus Manor Apartments	\$12,046	0.50%
	\$222,436	8.09%		\$270,975	11.18%

Source:  
City of Susanville Finance Department

Notes:  
(a) Total Water Revenue equals charges for services as found in schedule 2.

Schedule 22  
City of Susanville  
Gas Department  
Gas Sold by Type of Customer  
Last Fourteen Fiscal Years  
(In Therms)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Residential	749,716	974,574	932,384	881,058	942,696	837,390	937,912
Commercial	548,769	730,538	941,029	943,663	1,024,591	926,457	1,092,072
Total	1,298,485	1,705,112	1,873,413	1,824,721	1,967,287	1,763,847	2,029,984
Nat Gas Sales	\$1,749,040	\$2,724,148	\$4,264,151	\$4,325,805	\$4,650,665	\$4,271,575	\$4,723,849
City Direct Rate per Therm	\$1.35	\$1.60	\$2.28	\$2.37	\$2.36	\$2.42	\$2.33

Source:  
City of Susanville Finance Department - Utility Billing

Notes:  
Total Gas Revenue equals charges for services as found in schedule 2.  
100 cubic feet=100,000 BTUs=1 Therm  
BTU is British Thermal Unit

<b>Fiscal Year</b>							
<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
969,365	970,855	989,815	1,018,373	937,529	1,002,170	1,280,163	1,076,806
1,145,538	1,059,126	1,072,065	1,133,858	992,290	1,059,923	1,183,869	1,017,122
2,114,903	2,029,981	2,061,880	2,152,231	1,929,819	2,062,093	2,464,032	2,093,928
\$4,667,746	\$4,431,883	\$4,499,459	\$4,580,771	\$3,942,591	\$4,181,963	\$4,681,092	\$4,542,332
\$2.21	\$2.18	\$2.18	\$2.13	\$2.04	\$2.03	\$1.90	\$2.17

Schedule 23  
 City of Susanville  
 Gas Department  
 Gas Rates  
 Last Fourteen Fiscal Years

Fiscal Year Ended June 30	Monthly Base Rates	Rate per Therm
2004	\$6.00	\$1.42
2005	\$7.00	\$1.65
2006	\$7.00	\$2.44
2007	\$7.00	\$2.21 (A)(B)
2008	\$7.00	\$2.21 (A)(B)(C)
2009	\$7.00	\$2.30 (A)(B)(C)
2010	\$7.00	\$2.20 (A)(B)(C)
2011	\$7.00	\$2.20 (A)(B)(C)
2012	\$7.00	\$2.20 (A)(B)(C)
2013	\$7.00	\$2.20 (A)(B)(C)
2014	\$7.00	\$2.14 (A)(B))(C)(D)
2015	\$7.00	\$2.14 (A)(B))(C)(D)
2016	\$7.00	\$2.14 (A)(B))(C)(D)
2017	\$7.00	\$2.14 (A)(B))(C)(D)
2018	\$7.00	\$2.14 (A)(B))(C)(D)

Source:  
 City of Susanville Finance Department

Notes:  
 City of Susanville Natural Gas Department began operation in 2002  
 (A) - The City of Susanville passed new gas rates in May of 2010 with Resolution #10-4625 removing winter and summer rates and applying one rate for customers. It gave new customer sign-ups a welcome rate for one year at \$1.95 per therm.

	<u>Rates</u>
0-450 Therms	\$2.20
450 + Therms	\$2.12

(B) - Resolution 07-4306 set variable price index billing for the city's largest consuming customers capable of using alternate fuels as their primary energy source in place of natural gas. The variable gas rate is set monthly by comparing one or both of the propane and heating oil indexes to the city's variable monthly gas cost. The lowest of the three shall be used as the current billing rate.

(C) - Resolution 07-4119 gave the city's largest users that qualify for the variable price index the opportunity to lock into a fixed price for all or a portion of their supply. The fixed price is a mutually agreeable fixed price offered through City of Susanville by Susanville's gas supplier for the quantities specified by the customer, plus customer's variable price natural gas adder.

(D) - Resolution 13-4952 reduced the natural gas rates by .06 cents beginning July 1, 2013 and expiring June 30, 2014. Rates effective July 1, 2013 will be \$2.14/therm (0-450 therms) and \$2.06/therm (450 or more therms) Resolution 14-5069 made the rate reduction permanent.

1 Therm=100,000 BTUs

Schedule 24  
City of Susanville  
Gas Department  
Top Ten Gas Customers  
Current Year and Nine Years Ago

Gas Customer	2018		2009	
	Gas Charges (a)	Percent of Total Gas Revenues	Gas Charges (a)	Percent of Total Gas Revenues
Lassen County	\$242,734	5.34%	Lassen Community College	361,433 7.77%
Lassen Community College	\$196,204	4.32%	Banner Lassen Hospital	301,945 6.49%
Banner Lassen Hospital	\$142,181	3.13%	Susanville Indian Rancheria/Casino	97,261 2.09%
Susanville Indian Rancheria/Casino	\$77,303	1.70%	Susanville Garden Apartments	83,157 1.79%
Lassen Union High School	\$64,094	1.41%	Diamond View School	68,154 1.47%
Susanville Garden Apartments	\$45,972	1.01%	Safeway	67,419 1.45%
Safeway	\$41,584	0.92%	Northeast Rural Health	61,220 1.32%
McKinley School	\$37,990	0.84%	Lassen Union High School	60,052 1.29%
CalFire	\$34,938	0.77%	California Dept of Forestry	46,948 1.01%
Triple E Corporation/Properties	\$29,183	0.64%	McKinley Elementary School	46,180 0.99%
	\$912,182	20.08%		\$1,193,769 25.67%

Source:  
City of Susanville Finance Department

Notes:  
(a) Total Gas Revenue equals charges for services as found in schedule 2.