

# *City of Susanville*



Photo Credit: Jeremy Couso

*2019*

## *Comprehensive Annual Financial Report*

*Fiscal Year Ended June 30*



**City of Susanville**  
**Comprehensive Annual Financial Report**  
Year Ended June 30, 2019

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## **INTRODUCTORY SECTION**



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

December 19, 2019

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

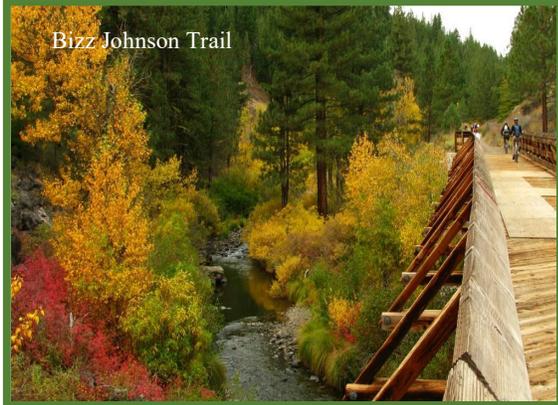
The Comprehensive Annual Financial Report (CAFR) for the City of Susanville for the fiscal year ended June 30, 2019 is hereby submitted as mandated by State statutes. These statutes require that the accounts and fiscal affairs of all municipal entities be examined annually by an independent certified 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 Van Lant and Fankhanel LLP, 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, 2019 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.

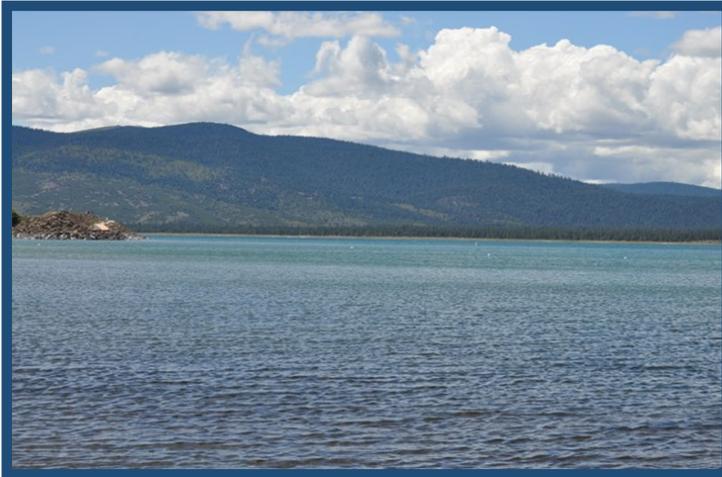
## City of Susanville Profile



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 continues to show signs of small growth reflected in property tax revenues and transient occupancy tax receipts. The City has some new housing construction and a new

commercial property that will be developed in the near future. Population for the City increased by .03% from the previous year. 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 revenue accounts for approximately 73% of the General Fund Revenues.

### **Sales and Use Tax**

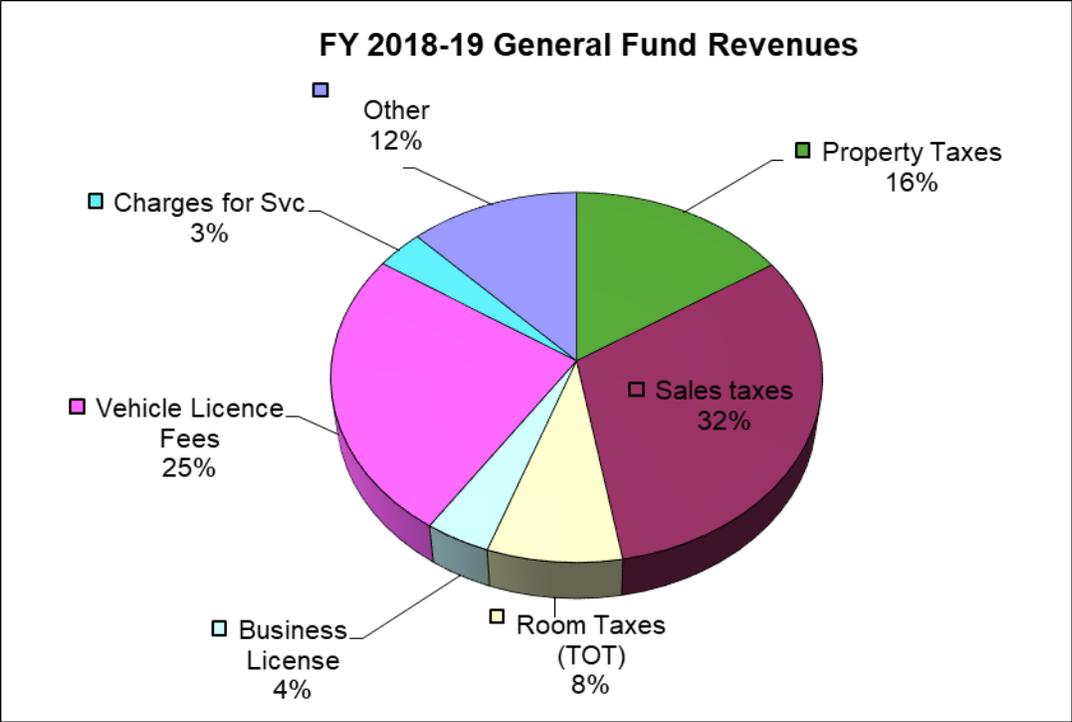
Sales and Use Tax is the City's largest source of revenue, representing approximately 32% of all general fund revenues. Sales and Use Tax had decreased 18% over Fiscal Year 2017/2018. This large decrease includes a misallocation from the Department of Tax and Fee Administration due to an incorrect tax return of approximately \$300,000 that was paid back during 2018/2019 fiscal year

### **Property Tax**

Property Tax represents approximately 16% 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 increased by 4 permits issued for new construction in the 2018/2019 Fiscal Year. The City is expecting continued growth in new housing construction and commercial development as well.

### **Property Tax In-Lieu of Vehicle License Fees**

Property Tax In-Lieu of VLF represents approximately 25% 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 added a 1% Public Safety Sales Tax to the Ballot for the March 2019 Primary. This sales tax increase will be used to fund Public Safety needs if approved by the voters. The City has been successful in reaching and maintaining its reserve requirement of 20% of budgeted general fund revenues.

**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 19/20 contribution for the normal and unfunded liability portions of pension costs and the debt service payment for the Side Fund Refunding Loan is \$1,253,027. This represents an increase of \$183,639 from the previous year. Pending and additional changes to the actuarial assumptions, these payments will continue to ramp up through Fiscal Year 2031/32.

## Major Initiatives

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### *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.
- Completion of the City of Susanville Sustainable Water Supply and Conjunctive use project which includes the installation of a pumping station at the Cady Springs site and bringing an existing but uncompleted water infrastructure system on-line.
- Improved economic vitality through promotion of recreation activities for residents and visitors as well as attracting new businesses.

## **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. The City did not submit the CAFR for the award in 2017/2018 however, we believe that the current CAFR still meets these requirements.

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.

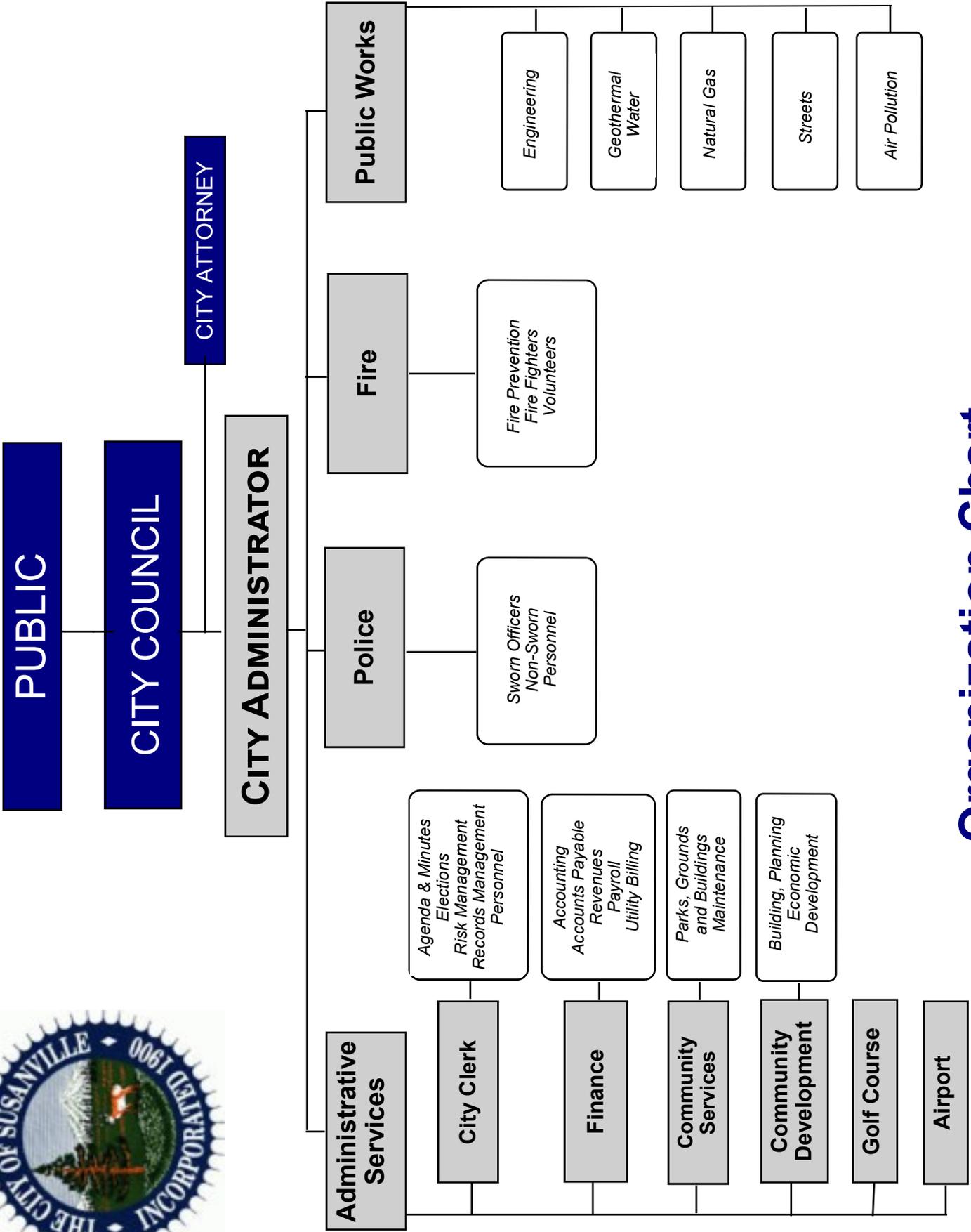
Respectfully submitted,



Mike Wilson  
City Administrator



Deborah Savage  
Finance Manager



# Organization Chart



# City Council

Fiscal Year 2018-19

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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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City Administrator

Mike Wilson

City Clerk

Gwenna MacDonald

Police Chief

Kevin Jones

Fire Chief

James Moore

Public Works Director

Dan Newton

Finance Manager

Deborah Savage

## **FINANCIAL SECTION**



## Independent Auditor's Report

The Honorable City Council  
City of Susanville, California

### Report on the Financial Statements

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

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

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

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

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

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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.

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 Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The schedules listed in the supplementary information section of the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the supplementary information section 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 schedules listed in the supplementary information section are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2019, 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 the 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.

*Van Lant & Fankhaed, LLP*

December 19, 2019



**City of Susanville**  
**Management's Discussion & Analysis**  
**Year Ended June 30, 2019**

This is the management's discussion and analysis of the financial performance of the City of Susanville for the fiscal year ended June 30, 2019. 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 \$6.1 million as of June 30, 2018 (\$-3.1 million for governmental activities and \$9.2 million for business-type activities), and by \$11.7 million as of June 30, 2019 (\$1.2 million for governmental activities and \$10.5 million for business-type activities). This is primarily due to a decrease in deferred outflows of resources ((\$692,856) for governmental activities and (\$153,381) for business-type activities for pension), increases in cash and investments (\$93,480 for governmental activities and \$580,689 for business type activities), increases to capital assets of \$3,539,651 (\$3,708,330 for governmental funds for adding various roads rehabilitated by STIP projects and a decrease of (\$168,769) in business-type activities for current year depreciation), decreases to deferred inflows of resources ((\$348,954) for governmental activities and (\$48,441) for business type activities for pensions) and increase to net pension liabilities of \$129,653 (\$54,560 for governmental activities and a decrease of \$75,093 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, 2018 and 2019.

Table A-1  
Government-wide Net Position as of June 30, 2018 and 2019  
**Governmental Activities**

	<b>2018</b>	<b>2019</b>
Cash & investments	\$ 6,147,013	\$ 6,240,493
Capital assets	4,223,931	7,932,261
Other assets	2,309,020	2,424,426
Total assets	12,679,964	16,597,180
Deferred Outflows of Resources	3,051,573	2,358,717
Current liabilities	1,666,981	1,468,919
Net pension liabilities	10,078,701	10,133,261
Other non-current liabilities	6,022,723	5,431,041
Total liabilities	17,768,405	17,033,221
Deferred Inflows of Resources	1,013,353	664,399
Net investment in capital assets	3,175,697	5,935,334
Restricted	2,694,959	2,967,351
Unrestricted	(8,920,877)	(7,644,408)
Total net position	\$ (3,050,221)	\$ 1,258,277

Table A-2  
Government-wide Net Position as of June 30, 2018 and 2019  
**Business-type Activities**

	<u>2018</u>	<u>2019</u>
Cash & investments	\$ 11,627,993	\$ 12,445,768
Capital assets	29,722,846	29,554,167
Other assets	847,559	909,310
 Total assets	 <u>42,198,398</u>	 <u>42,909,245</u>
 Deferred Outflows of Resources	 1,019,680	 866,307
 Current liabilities	 1,277,562	 1,321,429
Net pension liabilities	1,355,242	1,280,149
Other non-current liabilities	31,224,277	30,567,121
 Total liabilities	 <u>33,857,081</u>	 <u>33,168,699</u>
 Deferred Inflows of Resources	 136,260	 87,819
 Net investment in capital assets	 (1,465,481)	 1,382,183
Restricted	2,453,021	88,104
Unrestricted	8,237,205	9,048,747
 Total net position	 <u>\$ 9,224,745</u> =====	 <u>\$ 10,519,034</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, 2018 and 2019 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, 2018 and 2019  
**Governmental Activities**

	<u>2018</u>	<u>2019</u>
<u>Expenses (by function):</u>		
General government	\$ 969,254	\$ 1,244,074
Public safety	4,596,119	4,064,275
Streets	1,747,522	1,079,366
Protective inspections	271,724	226,543
Community services	443,536	346,781
Community development	295,884	242,905
Debt service		
Interest	182,460	397,707
	<u>8,506,499</u>	<u>7,601,651</u>
<u>Program revenues (by major source):</u>		
Charges for services	626,163	624,725
Operating grants and contributions	1,373,417	583,063
Capital grants and contributions	924,443	2,707,994
	<u>2,924,023</u>	<u>3,915,782</u>
<u>General revenues and transfers:</u>		
Property taxes	942,800	995,203
Sales & use taxes	2,145,343	1,823,116
Transient lodging taxes	520,158	534,174
Franchise taxes	26,211	22,972
Business license taxes	200,760	263,874
Other taxes	48,364	26,874
Property tax in lieu of VLF	1,545,612	1,578,415
Investment earnings	63,022	91,527
Transfers	134,583	113,028
	<u>5,626,853</u>	<u>5,449,183</u>
Change in net position	44,377	1,763,314
Net position, beginning of year	<u>(3,094,598)</u>	<u>(3,050,221)</u>
Prior Period Adjustment	<u>                    </u>	<u>2,545,184</u>
Net position, end of year	\$ (3,050,221) =====	\$ 1,258,277 =====

Table B-2  
 Changes in Government-wide Net Position  
 For the Fiscal Years Ended June 30, 2018 and 2019  
**Business-type Activities**

	<u>2018</u>	<u>2019</u>
<u>Expenses (by function):</u>		
Airport	\$ 274,429	\$ 264,759
Water	2,146,258	2,137,896
Geothermal	97,254	95,228
Natural gas	3,868,114	4,054,528
Golf course	299,189	298,278
Total expenses	<u>6,685,244</u>	<u>6,850,689</u>
<u>Program revenues (by major source):</u>		
Charges for services	7,730,437	7,955,297
Operating grants and contributions	0	0
Capital grants and contributions	163,666	34,471
Total program revenues	<u>7,894,103</u>	<u>7,989,761</u>
<u>General revenues and transfers:</u>		
Use of money and property	118,413	268,238
Miscellaneous	0	0
Transfers	(134,583)	(113,028)
Total general revenues and transfers	<u>(16,170)</u>	<u>155,210</u>
Change in net position	1,192,689	1,294,289
Net position, beginning of year	8,032,056	9,224,745
Net position, end of year	<u>\$ 9,224,745</u>	<u>\$ 10,519,034</u>

At June 30, 2019, the total cash and investments for all funds increased by \$911,255 (from \$17,775,006 to \$18,686,261). The primary reasons for this increase are:

- The Natural Gas Fund cash and investments increased by \$760,919 (from \$7,119,006 to \$7,879,925). The winter of 2019 was colder than the previous year. This caused receipts from customers to increase by \$169,799. Payments to suppliers and contractors as well as payments to employees increased by \$133,126 as compared to the previous fiscal year, LAIF interest increased by \$49,380, accounts receivable increased by \$6,500 and accounts payable increased by \$24,289, debt service payments increased by \$18,021 and purchase of capital assets increased by \$14,591.

- General Fund cash increased by \$35,194, (from \$3,202,431 to \$3,237,625) during fiscal year 2018-19. This increase is primarily due to setting aside \$138,291 from out of area fires. These funds are considered one-time monies and will be spent in 2019/2020, an increase in due from other funds of (\$86,106) in the IRWM Agency fund and the Tobacco Grant fund to remove negative cash, a decrease in accounts payable of (\$83,281), an increase in LAIF interest of \$76,368, an increase in transfers out to streets of \$166,717 to meet the City's Maintenance of Effort for Road Maintenance and Rehab, an increase in charges to Natural Gas of \$150,000 to pay the Fire Department for responding to emergency calls for possible gas leaks during the last three fiscal years.
- The Water Fund cash and investments increased by \$4,123 (from \$4,250,185 to \$4,254,308). This is primarily due to an decrease in receipts from customers of (\$148,946), an increase of \$205,517 in payments to suppliers and vendors along with a decrease as compared to last year in purchase of capital assets of (\$92,120) for the 2018/19 portion of the Water Main Replacement project, an increase in receipts from other funds and capital grants received of \$14,270, a decrease to payments to other funds of (\$72,924) (primarily for the transfer out to Streets Fund for repairing the streets after utility work), an increase in debt service payments of \$59,303, and an increase of \$59,608 in LAIF interest allocation.
- The Gas Tax Fund cash decreased by (\$98,690) (from \$214,632 to \$115,942). This is primarily due to a decrease in accounts payable of (\$264,721), an increase of receipts from other funds of \$96,973 and a return of \$29,231 in cost allocation charges for year-end true-up and an increase to accounts receivable of \$73,349.

## **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 2018-19:

### **General Fund**

The General Fund ended Fiscal Year 2018-19 with an increase in fund balance of \$256,390 (from \$3,558,023 to \$3,814,413) compared to the prior year. This increase in fund balance can be primarily attributed to a donation of \$69,000 from the Susanville Indian Rancheria and SIRCO Development for the purchase of 2 equipped police patrol vehicles and \$138,291 in out of area fires revenue from the Fire Department. Out of Area Fires revenue (after all expenses are paid) is set aside in 3 facility and equipment reserve funds. These monies will be spent in the 2019/2020 fiscal year for facility and equipment capital expenses.

For the year, General Fund total revenues exceeded total expenditures (excluding transfers) by \$1,067,399, as compared to \$902,931 for fiscal year 2017-18.

Total General Fund revenues decreased from the prior year by (\$550,366) (from \$6,886,933 to \$6,336,567). This is primarily due to a decrease in grant revenue of (\$285,970), an increase in property taxes of \$52,403, an decrease to sales and use tax of (\$400,785), an increase to transient occupancy tax of \$14,017, an increase to property tax in lieu of VLF of \$32,803, an increase in out of area fires for \$41,291, a decrease of (\$52,674) in contract services for the HLVRA and LCAPCD. Contributions and Donations increased by \$30,500 for the Police K-9 program. Franchise taxes and business licenses increased by \$59,874 from the previous year.

Compared to the prior year, the General Fund expenditures decreased by (\$714,834) (from \$5,984,002 to \$5,269,168). Although there were 3-4 vacant positions in the General Fund, personnel costs increased \$43,307 over the previous year (2017/2018 also had vacant unfilled positions within the General Fund). CalPERS increased \$124,000, all other personnel costs decreased by (\$80,693), a decrease in professional services of (\$114,504), a decrease in police dispatch and animal control of (\$74,052), a decrease of (\$46,936) in police machinery and equipment (computer server and tactical equipment purchased in prior year), decrease of (\$43,495) for facility repairs and travel, decrease of (\$16,000) in advertising and technical services for new hires, and an increase to cost allocation of (\$89,000) and a decrease of (\$282,901) in expenses related to grants (Hazardous Mitigation, Nor-Cal EMS, and OES Haz-Mat).

General Fund transfers out increased from the prior year by \$130,613 (from \$680,396 to \$811,009). This is primarily due to decrease in transfers to Golf Course of (\$3,060) and a decrease to the Airport of (\$46,785) to remove negative cash balances and an increase in transfers to Gas Tax Fund of \$166,717 to meet the City's Maintenance of Effort for RMRA Funds.

### **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 2018-19 with an increase in fund balance of \$81,519 (from (\$165,397) to (\$83,878)) compared to the prior year. This increase is primarily due to receiving the funds from the State of California for project reimbursements associated with the State Transportation Improvement Fund (STIP) projects from the previous year as well as a net increase in transfers from other funds of \$96,973. The Water Fund reduced its contribution by \$72,924 and the General Fund contributed \$166,717 for the City's Maintenance of Effort. In 2018-19 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 2018-19:

### **Water Enterprise Fund**

At June 30, 2019 the Water Fund ending net position shows an increase of \$643,415 (from \$3,624,084 to \$4,267,499). Overall the assets of the water fund increased by \$353,515. This is primarily due to an increase in cash of \$4,123, decrease in inventory of (\$6,660) (only a small number of meters are on hand for emergency repairs if needed), an increase in interest receivable of \$4,039, a decrease in prepaid expenses of (\$1,634), increase in accounts receivable of \$13,026 and an increase in capital assets of \$345,253 for the 2019 portion of Water Main Replacement projects.

The total liabilities decreased by (\$366,450), (from \$9,243,227 to \$8,876,777) mostly due to reductions in notes and bonds payable from debt service payments (\$308,000), a decrease in net pension liability of (\$35,339), a decrease in deposits payable (customer deposits) of (\$1,821), and a decrease in accounts payable of (\$29,697).

Water Fund sales and charges for services decreased by (\$28,704) (from, \$2,750,970 to \$2,722,266) from the previous year. This is primarily due to an irrigation rate billing error during the summer months of 2018. Interest income increased over the prior year by \$53,575.

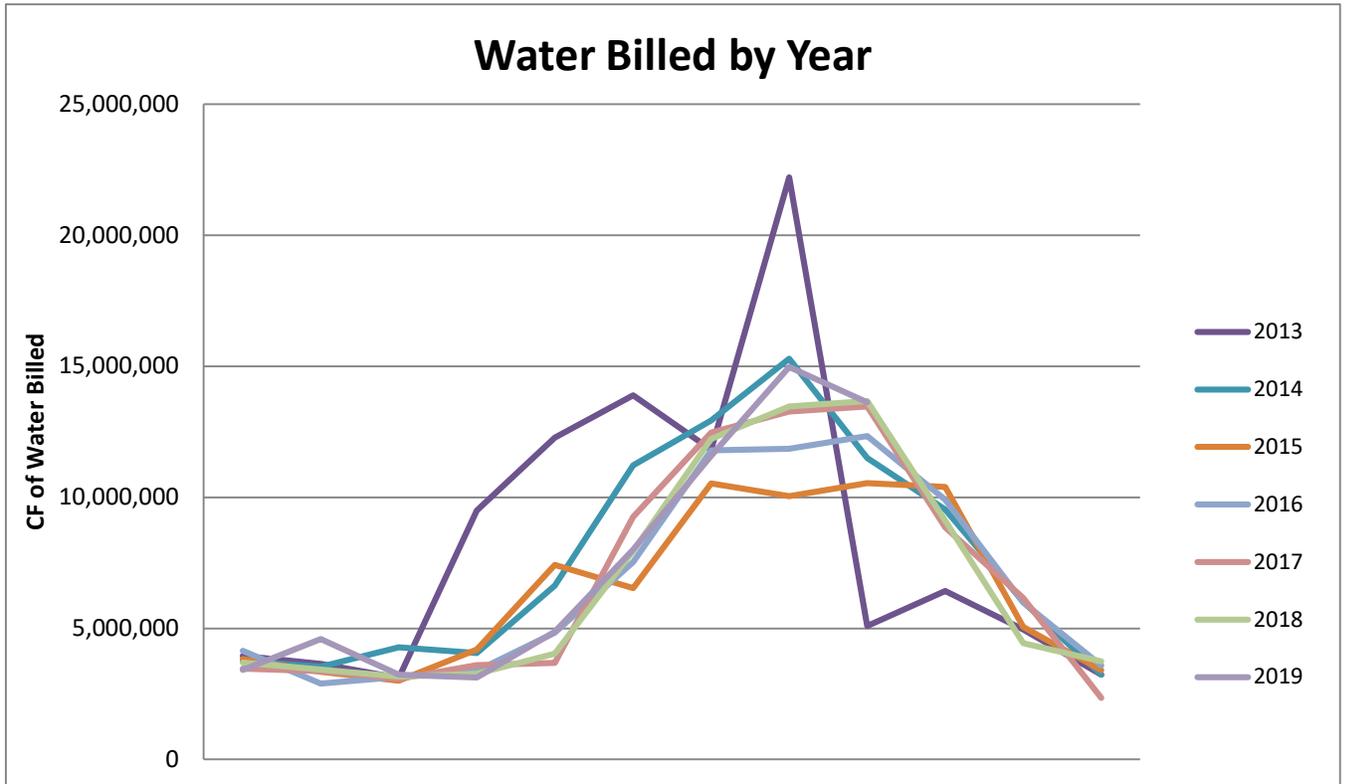
Total expenses, including interest expense and transfers out decreased by (\$81,286) (from \$2,280,070 to \$2,198,784). This is primarily due to a decrease of (\$72,924) in transfers out for the Water Fund contribution to the Streets Fund for repairs in the roadway after utility work, a decrease in depreciation and amortization expense of (\$65,821) and an increase in interest expense of \$48,409 and an increase in payroll costs of \$14,239, a decrease in professional services of (\$13,724)

There were approximately 3,816 water customer accounts at June 30, 2019.

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.

In 2017, the City received a Proposition 84 grant in the amount of approximately 1.5 million dollars through the California Department of Water Resources to complete a water supply sustainability and conjunctive use project, which includes the completion of the Cady Springs Pump Station. In 2003, the City started the project and due to construction difficulties, did not have adequate funds to complete the work. Beginning

July of 2018, the existing infrastructure that was in the ground but not in operation, included over two miles of pipe, and one-million-gallon water tank, and various valves and fittings with an estimated value of \$2.2 million dollars in 2019. The work to complete the project and bring the system and tank online is estimated at \$2.6 million dollars in 2019. Therefore, the total value of the improvements that are scheduled to come online in 2020 is \$4.8 million dollars.



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	3,749,310
2019	3,417,382	4,603,729	3,244,970	3,131,247	4,877,267	8,016,150	11,587,246	14,975,945	13,633,111			

### Natural Gas Enterprise Fund

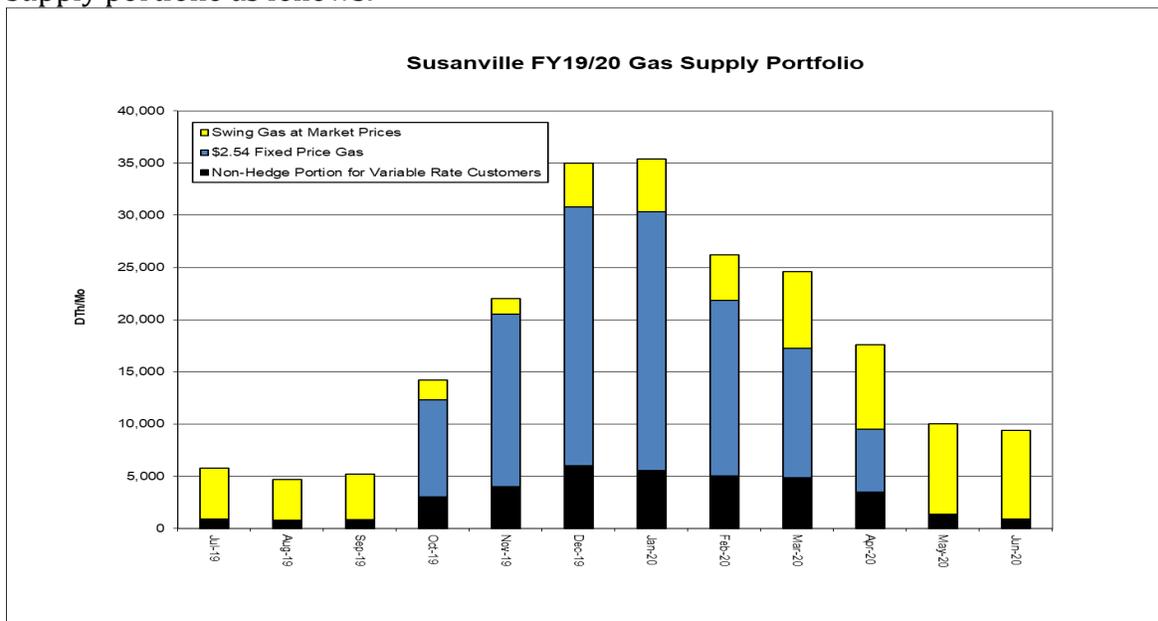
The Natural Gas Fund increased its net position by \$772,610 during fiscal year 2018-19 (from 494,649 to \$1,267,259). The winter of 2018-19 saw colder temperatures than the previous winter. This increased the gas sales and charges for services by \$250,369. Higher LAIF interest rates also contributed an additional \$91,853 in interest income as compared to the previous year.

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 \$1,525 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 \$529,544 (from \$24,859,162 to \$25,388,706), primarily due to an increase in cash of \$760,919, an increase to interest receivable of \$16,868, an increase in accounts receivable of \$56,223, and a decrease in depreciable assets of (\$344,790).

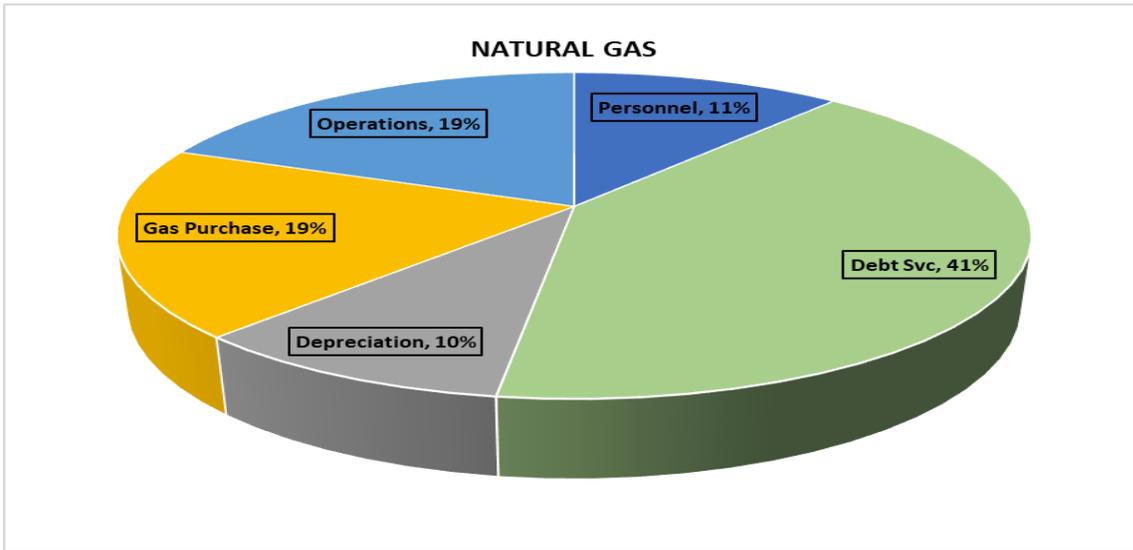
Total liabilities decreased by (\$307,456) (from \$24,542,293 to \$24,234,837), primarily due to a decrease in revenue bonds payable of (\$348,183) for principal debt service payments made, an increase in accounts payable of \$43,661, and a decrease of (\$39,754) in net pension liability, an increase of \$30,000 in current portion of long-term debt and an increase in compensated absences and deposits payable of \$6,820.

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, City has already secured its fiscal year 2019-2020 supply portfolio as follows:

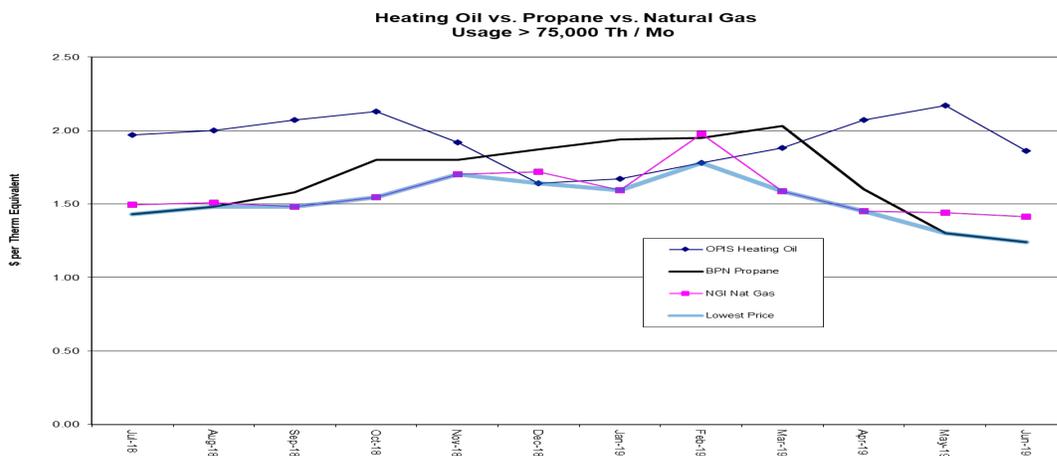


The new purchasing agreement with BP gives the City a five-year wintertime fixed price of \$2.54 per decatherm, hedging most of the residential and small commercial load. The City is currently hedged at 75% for the winter months. Although the purchasing of the natural gas commodity is highlighted above, it only represents 19% 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. (The 2010 Natural Gas Bonds were refunded under a 2019 Bond

issuance on September 5, 2019. This refunding lowered the interest rate, maintained the defeasance date of 2045 and has an estimated annual savings of \$521,619.)



Natural gas continues to be competitive with competing heating fuels, primarily heating oil and propane. The chart below shows natural gas prices for Susenville’s largest customers designed to provide these customers the lowest price of competing fuels. During the key winter months, natural gas was lower than propane all the months and lower than heating oil except two months.



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 2018-19 annual budget was prepared and approved on June 20, 2018 and became effective July 1, 2018 with a budgeted deficit spending of (\$348,557). The City is experiencing increases in property tax revenue and property tax in-lieu of VLF. Salary savings from unfilled positions and prudent spending by General Fund departments have allowed the City the ability to prevent the deficit spending

anticipated in the beginning budget. The reserve fund at June 30, 2019 currently has \$1,372,150. As part of the budget policies adopted by Resolution No. 19-5621, the City will strive to maintain General Fund reserve equal to twenty percent (20%) of annual operating revenues.

**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	\$6,245,995	\$6,360,508	\$ 114,513	\$6,336,567	\$ ( 23,941)
Expenditures	(5,817,682)	(6,430,705)	(613,023)	(5,269,168)	1,161,537
Other financing sources and (uses):					
Transfers in	0	0	0	0	0
Transfers out	(776,870)	(789,270)	(12,400)	(811,009)	(21,739)
Net change in fund balance	<u>\$(348,557)</u>	<u>\$ (859,467)</u>	<u>\$ (510,910)</u>	<u>\$ 256,390</u>	<u>\$1,115,857</u>
	=====	=====	=====	=====	=====

After the original 2018-19 budget was adopted, the City Council approved several budget amendments. Changes throughout the year resulted in the final budget. Changes were as follows:

***Increases (Decreases)***

	<b>Increases(Decreases)</b>	
Revenues	40,387	Load Carryover CalOES Flow Study Grant
	22,181	Load Carryover Fire Hazardous Mitigation Plan Grant
	400	Resolution 18-5544 Police Department Donation
	5,929	Resolution #18-5689 Lassen High First Responder Class
	2,000	Resolution #18-5590 Nor-Cal EMS Grant
	45,000	Midyear Increase for Transient Occupancy Tax
	14,703	Midyear Increase for various small revenues
	-44,523	Midyear Reduction of Property Tax In-Lieu VLF for County Estimate
	25,000	Resolution #18-5628 Police K-9 Program
	69,000	Resolution #19-5671 Police Vehicle Donation/Purchase
	<u>-65,564</u>	<u>Remove IRWM Contract and various small revenues</u>
	<u>114,513</u>	

Expenses	40,387	Load Carryover CalOES Flow Grant
	400	Resolution 18-5544 Police Department Donation
	12,972	Load Carryover PO for Police server
	22,181	Load Carryover Fire Hazardous Mitigation Plan Grant
	329,470	Load Carryover FEMA projects
	400	Resolution 18-5544 Police Department Donation
	10,000	MOU Ratification Gym Equipment
	1,000	Resolution #18-5548 Civic Promotions
	12,000	Resolution #18-5575 Fire Rescue Equipment
	2,000	Resolution #18-5590 Nor-Cal EMS Grant
	79,000	Mid Year Increase to Professional Services
	25,000	Resolution #18-5628 Police K-9 Program
	12,400	Resolution #19-5645 Transfer to Golf for Mower Purchase
	50,000	City Council Meeting 6/5/19 Approving Buxton Contract
	69,000	Resolution #19-5671 Police Vehicle Donation/Purchase
	<u>625,423</u>	
	-510,910	

As of June 30, 2019, total General Fund revenues and other financing sources were \$6,336,567 or (\$23,941) less than budgeted. This budget vs actual variance is primarily due to receiving \$76,223 in property tax, \$77,327 property tax in-lieu of VLF, \$18,874 in business licenses, \$34,175 in transient occupancy tax, (\$95,883) less in sales and use tax, \$17,680 in interest revenue, \$24,564 in out of area fires, \$18,918 in building and planning revenues and (\$226,000) less in contract services HLVRA.

Actual expenditures and other financing sources were \$6,080,177 or (\$1,115,857) less than budgeted. This was primarily due to FEMA repairs being delayed in the amount of \$340,314, HLVRA pool budget savings of \$236,342, savings in Fire Department of \$122,406 due to out of area fires and unused grant budget, savings in the Police Department of \$316,239 due to unfilled positions and contract services with Lassen County for dispatch and animal control.

## **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 2018-2019 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, 2019 was as follows:

2010 Refunding Revenue Bonds	\$30,715,000	Secured by natural gas and water revenues
City Hall Bonds	993,927	Secured by 2013 lease financing agreement with Compass Bank
U.S. Department of Agriculture Note	775,000	Secured by Water Fund Infrastructure
2013 CalPERS Refunding Loan	3,695,000	Secured by General Fund gross revenues
Community Pool Debt Service	\$1,003,000	Secured by General Fund gross revenues

Scheduled principal repayments of \$1,076,915 were made during fiscal year 2018-19. 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**

The City of Susanville, like most cities is facing skyrocketing CalPERS costs. Our revenue growth is low compared to our increasing expenses. The City is working to promote growth by investing in an economic development plan with the assistance of a company called Buxton. This plan could bring much needed revenue into the City in the years to come. Economic Development is just one factor in the plan to survive CalPERS. The City will be asking voters in March for a 1% Sales and Use Tax increase to be used specifically for Public Safety. Passage of Measure "N" will insure our police, fire and code enforcement departments the ability to maintain the current level of services.

On September 5, 2019, the City issued the 2019 Refunding Natural Gas and Water Bonds, defeasing the 2010 Series A and Series B Bonds. This bond issuance reduced the interest rate, maintained the current maturity dates, reduced rate stabilization funds, and give the Water Fund and estimated annual savings of \$118,307 and the Natural Gas Fund a savings of \$521,619.

The City Council adopted the budget for fiscal year 2019-20 on July 1, 2019. The budget reflects Council priorities and maintains the same level of services provided in fiscal year 2018-19. The General Fund expenditures budget for fiscal year 2019-20 is \$4,627 or less than 1% more than the prior fiscal year. The increase (from \$6,759,733 in fiscal year 2018-19 to \$6,764,360 in fiscal year 2019-20) reflects funding all approved positions within the budget with a 4% vacancy reduction, an increase in transfers out for debt service payment, and a reduction of \$100,717 for the General Fund required Maintenance of Effort contribution to the Gas Tax Fund for our RMRA allocation, increases to Public Safety spending for dispatch/animal control contract increases. General Fund revenues are projected to decrease 3.4%, (from \$6,411,177 in fiscal year 2018-2019 to \$6,190,303 in 2019-20) with the reduction in contract services and contributions from other funds.

## **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.

## **BASIC FINANCIAL STATEMENTS**

**City of Susanville**  
**Statement of Net Position**  
June 30, 2019

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Investments	\$ 6,240,493	\$ 9,755,661	\$ 15,996,154
Restricted Cash and Investments	-	2,690,107	2,690,107
Accounts Receivable	1,075,011	719,131	1,794,142
Interest Receivable	39,070	62,583	101,653
Prepaid Items	37,386	2,409	39,795
Prepaid Bond Insurance	-	74,101	74,101
Inventory	31,895	51,086	82,981
Due From Agency Funds	46,008	-	46,008
Loans Receivable	1,195,056	-	1,195,056
Capital Assets, Not Depreciated	3,593,010	4,789,963	8,382,973
Capital Assets, Depreciated, Net	4,339,251	24,764,204	29,103,455
Total Assets	<u>16,597,180</u>	<u>42,909,245</u>	<u>59,506,425</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges on Refunding	-	564,308	564,308
Deferred Outflows Related to Pensions	2,358,717	301,999	2,660,716
Total Deferred Outflows of Resources	<u>2,358,717</u>	<u>866,307</u>	<u>3,225,024</u>
<b>LIABILITIES</b>			
Accounts Payable	614,108	214,089	828,197
Accrued Liabilities	279,363	7,222	286,585
Interest Payable	22,194	151,317	173,511
Deposits Payable	10,239	229,630	239,869
Unearned Revenue	-	33,629	33,629
Long-Term Liabilities:			
Due Within One Year	543,015	685,542	1,228,557
Due in More Than One Year	15,564,302	31,847,270	47,411,572
Total Liabilities	<u>17,033,221</u>	<u>33,168,699</u>	<u>50,201,920</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	664,399	87,819	752,218
Total Deferred Inflows of Resources	<u>664,399</u>	<u>87,819</u>	<u>752,218</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,935,334	1,382,183	7,317,517
Restricted for:			
Public Safety	245,084	-	245,084
Parks & Recreation	157,532	-	157,532
Housing and Economic Development	1,157,278	-	1,157,278
HOME Program	754,635	-	754,635
Traffic Safety	57,196	-	57,196
Traffic Signals	82,996	-	82,996
Streets and Roads	512,630	-	512,630
Debt Service	-	88,104	88,104
Unrestricted	(7,644,408)	9,048,747	1,404,339
Total Net Position	<u>\$ 1,258,277</u>	<u>\$ 10,519,034</u>	<u>\$ 11,777,311</u>

The accompanying notes are an integral part of this statement.

**City of Susanville**  
**Statement of Activities**  
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 1,244,074	\$ 228,967	\$ 1,298	\$ -
Public Safety	4,064,275	213,694	562,544	53,742
Streets	1,079,366	-	-	2,647,450
Protective Inspections	226,543	122,968	-	-
Community Services	346,781	25,863	19,221	6,802
Community Development	242,905	33,233	-	-
Interest Expense	397,707	-	-	-
Total Governmental Activities	<u>7,601,651</u>	<u>624,725</u>	<u>583,063</u>	<u>2,707,994</u>
<b>Business-type Activities:</b>				
Water	2,137,896	2,722,266	-	14,653
Natural Gas	4,054,528	4,792,701	-	-
Airport	264,759	87,927	-	19,818
Golf Course	298,278	250,089	-	-
Geothermal	95,228	102,314	-	-
Total Business-type Activities	<u>6,850,689</u>	<u>7,955,297</u>	<u>-</u>	<u>34,471</u>
Total Primary Government	<u>\$ 14,452,340</u>	<u>\$ 8,580,022</u>	<u>\$ 583,063</u>	<u>\$ 2,742,465</u>

General Revenues:

Taxes:

- Property
- Sales and Use
- Transient Occupancy Taxes
- Business License Taxes
- Franchise
- Other Taxes

Investment Income

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Prior Period Adjustments

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,013,809)	\$ -	\$ (1,013,809)
(3,234,295)	-	(3,234,295)
1,568,084	-	1,568,084
(103,575)	-	(103,575)
(294,895)	-	(294,895)
(209,672)	-	(209,672)
(397,707)	-	(397,707)
<u>(3,685,869)</u>	<u>-</u>	<u>(3,685,869)</u>
-	599,023	599,023
-	738,173	738,173
-	(157,014)	(157,014)
-	(48,189)	(48,189)
-	7,086	7,086
<u>-</u>	<u>1,139,079</u>	<u>1,139,079</u>
<u>(3,685,869)</u>	<u>1,139,079</u>	<u>(2,546,790)</u>
2,582,933	-	2,582,933
1,823,116	-	1,823,116
534,174	-	534,174
263,874	-	263,874
22,972	-	22,972
17,559	-	17,559
91,527	268,238	359,765
113,028	(113,028)	-
<u>5,449,183</u>	<u>155,210</u>	<u>5,604,393</u>
1,763,314	1,294,289	3,057,603
(3,050,221)	9,224,745	6,174,524
<u>2,545,184</u>	<u>-</u>	<u>2,545,184</u>
<u>\$ 1,258,277</u>	<u>\$ 10,519,034</u>	<u>\$ 11,777,311</u>

**City of Susanville**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2019

	General Fund	Gas Tax Special Revenue Fund	Non-major Governmental Funds	Total
<b>ASSETS</b>				
Cash and Investments	\$ 3,237,625	\$ 115,942	\$ 2,108,913	\$ 5,462,480
Accounts Receivable	702,165	257,167	102,652	1,061,984
Interest Receivable	23,538	135	10,840	34,513
Prepaid Expenditures	25,622	-	-	25,622
Inventory	31,895	-	-	31,895
Due From Other Funds	40,098	-	-	40,098
Due From Agency Funds	46,008	-	-	46,008
Loans Receivable	52,136	-	1,142,920	1,195,056
Total Assets	<u>\$ 4,159,087</u>	<u>\$ 373,244</u>	<u>\$ 3,365,325</u>	<u>\$ 7,897,656</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 267,826	\$ 300,972	\$ 36,874	\$ 605,672
Accrued Liabilities	66,609	-	-	66,609
Deposits	10,239	-	-	10,239
Due to Other Funds	-	-	40,098	40,098
Total Liabilities	<u>344,674</u>	<u>300,972</u>	<u>76,972</u>	<u>722,618</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues - Grants	-	156,150	48,591	204,741
Total Deferred Inflows of Resources	<u>-</u>	<u>156,150</u>	<u>48,591</u>	<u>204,741</u>
<b>FUND BALANCES</b>				
Nonspendable	109,653	-	-	109,653
Restricted	18,615	-	2,957,539	2,976,154
Assigned	223,380	-	326,997	550,377
Unassigned	3,462,765	(83,878)	(44,774)	3,334,113
Total Fund Balances	<u>3,814,413</u>	<u>(83,878)</u>	<u>3,239,762</u>	<u>6,970,297</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,159,087</u>	<u>\$ 373,244</u>	<u>\$ 3,365,325</u>	<u>\$ 7,897,656</u>

The accompanying notes are an integral part of this statement.

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

Fund Balances for Governmental Funds \$ 6,970,297

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	14,514,071
Accumulated Depreciation	(6,581,810)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances at June 30, 2019:

Compensated Absences	(239,102)
Net Pension Liability	(10,133,261)
Lease Financing (City Hall Project)	(993,927)
CalPERS Refunding Loan	(3,695,000)
Community Swimming Pool Loan	(1,003,000)
Interest Payable on Long-term Debt	(22,194)

Amounts for deferred outflows and deferred inflows related to the City's Net Pension Liability are not reported in the funds:

Deferred Outflows Related to Pensions	2,358,717
Deferred Inflows Related to Pensions	(664,399)

Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 204,741

The internal service funds are used by management to charge the costs of operations to individual funds. The assets and liabilities of the internal service funds are included in Governmental Activities in the Statement of Net Position. 543,144

Net Position of Governmental Activities \$ 1,258,277

The accompanying notes are an integral part of this statement.

**City of Susanville**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended June 30, 2019

	General Fund	Gas Tax Special Revenue Fund	Non-major Governmental Funds	Total
<b>REVENUES</b>				
Taxes and Assessments	\$ 5,236,015	\$ -	\$ -	\$ 5,236,015
Licenses and Permits	110,100	-	-	110,100
Fines and Forfeitures	38,459	-	4,761	43,220
Investment Earnings	99,906	4,089	53,026	157,021
Intergovernmental	437,624	2,125,765	448,375	3,011,764
Charges for Services	314,957	14,349	60,264	389,570
Other	99,506	-	-	99,506
 Total Revenues	 <u>6,336,567</u>	 <u>2,144,203</u>	 <u>566,426</u>	 <u>9,047,196</u>
<b>EXPENDITURES</b>				
Current:				
General Government	747,423	-	-	747,423
Public Safety	3,836,328	-	145,357	3,981,685
Streets	-	899,280	-	899,280
Protective Inspections	226,543	-	-	226,543
Community Services	340,624	-	-	340,624
Community Development	107,472	-	135,433	242,905
Capital Outlay	10,778	1,386,785	49,215	1,446,778
Debt Service:				
Principal	-	-	568,915	568,915
Interest and Fiscal Charges	-	-	352,984	352,984
 Total Expenditures	 <u>5,269,168</u>	 <u>2,286,065</u>	 <u>1,251,904</u>	 <u>8,807,137</u>
 Excess of Revenues Over (Under) Expenditures	 <u>1,067,399</u>	 <u>(141,862)</u>	 <u>(685,478)</u>	 <u>240,059</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	236,461	801,656	1,038,117
Transfers Out	(811,009)	(13,080)	(101,000)	(925,089)
 Total Other Financing Sources (Uses)	 <u>(811,009)</u>	 <u>223,381</u>	 <u>700,656</u>	 <u>113,028</u>
 Net Change in Fund Balances	 256,390	 81,519	 15,178	 353,087
 Fund Balances, Beginning of Year	 <u>3,558,023</u>	 <u>(165,397)</u>	 <u>3,224,584</u>	 <u>6,617,210</u>
 Fund Balances, End of Year	 <u>\$ 3,814,413</u>	 <u>\$ (83,878)</u>	 <u>\$ 3,239,762</u>	 <u>\$ 6,970,297</u>

The accompanying notes are an integral part of this statement.

**City of Susanville**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds \$ 353,087

Amounts reported for Governmental Activities in the Statement of Activities are different because:

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

Capital Expenditures	1,500,019
Depreciation Expense	(336,873)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The following represent differences in the treatment of long-term debt and related items:

Principal payment on Lease Financing	100,915
Principal payment CalPERS Refunding Loan	401,000
Principal payment on Community Swimming Pool Loan	67,000
Amortization of Deferred Amounts on Refunding	(46,608)

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

Compensated Absences	(31,822)
Net Pension Liability	(54,560)
Accrued Interest Payable	1,885

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds. This is the net change in these deferred outflows and inflows:

Deferred Outflows Related to Pensions	(646,248)
Deferred Inflows Related to Pensions	348,954

Some revenues reported in the Statement of Activities are not considered to be available to finance current expenditures and, therefore, are not reported as revenues in the governmental funds.

204,741

The change in net position of the internal service funds is reported with governmental activities.

(98,176)

Change in Net Position of Governmental Activities

\$ 1,763,314

The accompanying notes are an integral part of this statement.

**City of Susanville**  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2019

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water	Natural Gas	Nonmajor		
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 3,550,276	\$ 5,893,850	\$ 311,535	\$ 9,755,661	\$ 778,013
Accounts Receivable	419,236	276,469	23,426	719,131	13,027
Interest Receivable	21,842	38,877	1,864	62,583	4,557
Prepaid Expenses	915	1,242	252	2,409	11,764
Inventory	17,665	33,054	367	51,086	-
Total Current Assets	<u>4,009,934</u>	<u>6,243,492</u>	<u>337,444</u>	<u>10,590,870</u>	<u>807,361</u>
Noncurrent Assets:					
Restricted Cash and Investments	704,032	1,986,075	-	2,690,107	-
Prepaid Bond Insurance	74,101	-	-	74,101	-
Capital Assets:					
Non-depreciable	2,329,543	-	2,460,420	4,789,963	-
Depreciable, net	5,361,568	17,159,139	2,243,497	24,764,204	-
Total Capital Assets	<u>7,691,111</u>	<u>17,159,139</u>	<u>4,703,917</u>	<u>29,554,167</u>	<u>-</u>
Total Noncurrent Assets	<u>8,469,244</u>	<u>19,145,214</u>	<u>4,703,917</u>	<u>32,318,375</u>	<u>-</u>
Total Assets	<u>12,479,178</u>	<u>25,388,706</u>	<u>5,041,361</u>	<u>42,909,245</u>	<u>807,361</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charges on Refundings	564,308	-	-	564,308	-
Pension Actuarial Amounts	142,117	159,882	-	301,999	-
Total Deferred Outflows of Resources	<u>706,425</u>	<u>159,882</u>	<u>-</u>	<u>866,307</u>	<u>-</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	132,878	58,477	22,734	214,089	8,436
Accrued Liabilities	6,500	-	722	7,222	212,754
Interest Payable	36,946	114,371	-	151,317	-
Deposits Payable	55,398	174,232	-	229,630	-
Unearned Revenue	-	-	33,629	33,629	-
Current Portion of Compensated Absences	9,444	8,098	-	17,542	9,740
Current Portion of Long-term Debt	308,000	360,000	-	668,000	-
Total Current Liabilities	<u>549,166</u>	<u>715,178</u>	<u>57,085</u>	<u>1,321,429</u>	<u>230,930</u>
Noncurrent Liabilities:					
Compensated Absences	28,188	24,167	-	52,355	33,287
Net Pension Liability	602,423	677,726	-	1,280,149	-
Notes Payable	757,000	-	-	757,000	-
Bonds Payable	6,940,000	22,817,766	-	29,757,766	-
Total Noncurrent Liabilities	<u>8,327,611</u>	<u>23,519,659</u>	<u>-</u>	<u>31,847,270</u>	<u>33,287</u>
Total Liabilities	<u>8,876,777</u>	<u>24,234,837</u>	<u>57,085</u>	<u>33,168,699</u>	<u>264,217</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Actuarial Amounts	41,327	46,492	-	87,819	-
Total Deferred Inflows of Resources	<u>41,327</u>	<u>46,492</u>	<u>-</u>	<u>87,819</u>	<u>-</u>
<b>NET POSITION</b>					
Net Investment In Capital Assets	886,423	(4,208,157)	4,703,917	1,382,183	-
Restricted for Debt Service	86,731	1,373	-	88,104	-
Unrestricted	3,294,345	5,474,043	280,359	9,048,747	543,144
Total Net Position	<u>\$ 4,267,499</u>	<u>\$ 1,267,259</u>	<u>\$ 4,984,276</u>	<u>\$ 10,519,034</u>	<u>\$ 543,144</u>

The accompanying notes are an integral part of this statement.

**City of Susanville**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
Year Ended June 30, 2019

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water	Natural Gas	Nonmajor		
<b>OPERATING REVENUES</b>					
Sales and Charges for Services	\$ 2,722,266	\$ 4,792,701	\$ 440,330	\$ 7,955,297	\$ 953,313
Total Operating Revenues	<u>2,722,266</u>	<u>4,792,701</u>	<u>440,330</u>	<u>7,955,297</u>	<u>953,313</u>
<b>OPERATING EXPENSES</b>					
Purchases of Natural Gas	-	782,377	-	782,377	-
Administration	1,337,664	1,489,450	466,282	3,293,396	640,530
Insurance Costs and Claims	-	-	-	-	427,095
Depreciation and Amortization	359,608	398,434	190,451	948,493	-
Total Operating Expenses	<u>1,697,272</u>	<u>2,670,261</u>	<u>656,733</u>	<u>5,024,266</u>	<u>1,067,625</u>
Operating Income (Loss)	<u>1,024,994</u>	<u>2,122,440</u>	<u>(216,403)</u>	<u>2,931,031</u>	<u>(114,312)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	105,280	155,205	7,753	268,238	16,136
Interest Expense	(440,624)	(1,384,267)	(1,532)	(1,826,423)	-
Total Nonoperating Revenues (Expenses)	<u>(335,344)</u>	<u>(1,229,062)</u>	<u>6,221</u>	<u>(1,558,185)</u>	<u>16,136</u>
Income Before Capital Contributions and Transfers	689,650	893,378	(210,182)	1,372,846	(98,176)
Capital Contributions	14,653	-	19,818	34,471	-
Transfers In	-	-	68,628	68,628	-
Transfers Out	(60,888)	(120,768)	-	(181,656)	-
Change in Net Position	643,415	772,610	(121,736)	1,294,289	(98,176)
Net Position, Beginning of Year	<u>3,624,084</u>	<u>494,649</u>	<u>5,106,012</u>	<u>9,224,745</u>	<u>641,320</u>
Net Position, End of Year	<u>\$ 4,267,499</u>	<u>\$ 1,267,259</u>	<u>\$ 4,984,276</u>	<u>\$ 10,519,034</u>	<u>\$ 543,144</u>

The accompanying notes are an integral part of this statement.

**City of Susanville**  
**Statement of Cash Flows**  
**Proprietary Funds**  
Year Ended June 30, 2019

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Natural Gas	Nonmajor	Totals	
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 2,704,561	\$ 4,744,165	\$ 465,167	\$ 7,913,893	\$ 1,005,615
Payments to Suppliers and Contractors	(987,688)	(1,749,935)	(372,142)	(3,109,765)	(890,417)
Payments to Employees	(374,387)	(494,786)	(113,038)	(982,211)	(169,529)
<b>Net Cash Flows from Operating Activities</b>	<b>1,342,486</b>	<b>2,499,444</b>	<b>(20,013)</b>	<b>3,821,917</b>	<b>(54,331)</b>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers from Other Funds	-	-	68,628	68,628	-
Transfers to Other Funds	(60,888)	(120,768)	-	(181,656)	-
<b>Net Cash Flows from Noncapital Financing Activities</b>	<b>(60,888)</b>	<b>(120,768)</b>	<b>68,628</b>	<b>(113,028)</b>	<b>-</b>
<b>Cash Flows from Capital Financing Activities</b>					
Acquisition of Capital Assets	(704,861)	(53,644)	(21,310)	(779,815)	-
Interest Paid	(385,508)	(1,372,450)	(1,532)	(1,759,490)	-
Capital Grants	14,653	-	19,818	34,471	-
Payments on Long-term Debt	(303,000)	(330,000)	-	(633,000)	-
<b>Net Cash Flows from Capital Financing Activities</b>	<b>(1,378,716)</b>	<b>(1,756,094)</b>	<b>(3,024)</b>	<b>(3,137,834)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>					
Interest Received	101,241	138,337	7,142	246,720	15,121
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,123</b>	<b>760,919</b>	<b>52,733</b>	<b>817,775</b>	<b>(39,210)</b>
Cash and Cash Equivalents - Beginning of Year	4,250,185	7,119,006	258,802	11,627,993	817,223
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 4,254,308</b>	<b>\$ 7,879,925</b>	<b>\$ 311,535</b>	<b>\$ 12,445,768</b>	<b>\$ 778,013</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ 1,024,994	\$ 2,122,440	\$ (216,403)	\$ 2,931,031	\$ (114,312)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	359,608	398,434	190,451	948,493	-
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(13,026)	(56,223)	19,280	(49,969)	52,302
(Increase) Decrease in Prepays	1,634	1,940	187	3,761	(8,910)
(Increase) Decrease in Inventory	6,660	(6,264)	948	1,344	-
(Increase) Decrease in Deferred Outflows - Pensions	48,032	54,035	-	102,067	-
Increase (Decrease) in Accounts Payable	(29,697)	43,661	(20,755)	(6,791)	568
Increase (Decrease) in Accrued Liabilities	6,500	-	722	7,222	21,289
Increase (Decrease) in Deposits Payable	(4,679)	7,687	-	3,008	-
Increase (Decrease) in Unearned Revenue	-	-	5,557	5,557	-
Increase (Decrease) in Compensated Absences	595	(867)	-	(272)	(5,268)
Increase (Decrease) in Net Pension Liability	(35,339)	(39,754)	-	(75,093)	-
Increase (Decrease) in Deferred Inflows - Pensions	(22,796)	(25,645)	-	(48,441)	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,342,486</b>	<b>\$ 2,499,444</b>	<b>\$ (20,013)</b>	<b>\$ 3,821,917</b>	<b>\$ (54,331)</b>
<b>Noncash Capital and Related Financing Activities</b>					
Amortization Related to Long-term Debt	\$ 51,314	\$ -	\$ -	\$ 51,314	\$ -

The accompanying notes are an integral part of this statement.

**City of Susanville**  
**Statement of Net Position**  
**Fiduciary Funds**  
June 30, 2019

	Agency Funds
<b>ASSETS</b>	
Cash and Investments	\$ 307,760
Accounts Receivable	120,243
Interest Receivable	1,907
Total Assets	\$ 429,910
<b>LIABILITIES</b>	
Accounts Payable	\$ 23,032
Due to City of Susanville	46,008
Deposits Payable	360,870
Total Liabilities	\$ 429,910

The accompanying notes are an integral part of this statement.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**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 Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Financial Reporting Entity**

The City of Susanville was incorporated in 1900, under the laws of the State of California.

The accompanying basic financial statements present the financial activities of 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 has no discretely presented component units. The blended component units have a June 30 year end. The following entity is reported as 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 are accounted for in respective enterprise funds.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the reporting government as a whole, except for its fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units.

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

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. 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.

Certain eliminations have been made regarding 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.

Separate financial statements for the City's governmental and proprietary funds are presented after the Government-wide Financial Statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental and enterprise funds.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

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

**C. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements have been satisfied.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenue represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of other long-term receivables are offset by nonspendable fund balance accounts.

Under the modified accrual basis of accounting, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences that are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

Property taxes, taxpayer-assessed tax revenues (sales taxes, transient occupancy taxes, franchise taxes, etc.), grant revenues and earnings on investments are all considered to be susceptible to accrual, and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

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

Fund Classifications

The City reports the following funds as major governmental funds:

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

Gas Tax Special Revenue Fund - accounts for the receipt and expenditure of gas tax revenues received from the State of California.

The City reports the following major proprietary funds:

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.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for the financing of goods and services provided by one City department to other departments on a cost-reimbursement basis. The City uses internal service funds to account for Public Works administration, risk administration, and retirement benefits.

Fiduciary Funds - The City reports Agency Funds in the Statement of Fiduciary Net Position. Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governmental units. The City maintains five Agency Funds: HUSA Business Improvement, Section 125 Aflac/Wageworks, LAFCO, Air Pollution District, and IRWMG. Agency funds are accounted for using the accrual basis of accounting and have no measurement focus.

**D. Cash, Cash Equivalents, and Investments**

In order to maximize investment return, the City pools its available cash for investment purposes. The cash management pool is used essentially as a demand deposit account by the participating funds. The City has defined cash and cash equivalents, for purposes of the statement of cash flows, as all deposits and investments purchased with a maturity date of 90 days or less.

Investments are stated at fair value (the value at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale).

**E. 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. Restricted cash and investments are also reported for customer deposits in the enterprise funds, as applicable.

**F. 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. All vacation is accrued when incurred in the government-wide and proprietary funds financial statements. This liability is established 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. The General Fund is primarily responsible for the repayment of the governmental activities portion of compensated absences.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

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

**G. 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.

The following are significant dates relating to the City's property taxes:

	Secured	Unsecured
Valuation/lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates	November 1 and February 1	August 1
Delinquency dates	December 10 and April 10	August 31

**H) Inventories**

Inventories of the enterprise funds, consisting primarily of materials and supplies, are stated at cost determined by the first-in, first-out method. Inventories of the governmental funds are recorded as expenditures when purchased.

**I. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 (\$100,000 for infrastructure) or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to the implementation of GASB 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Land and Construction in Progress are not depreciated. Other capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Capital Assets	Years
Buildings	20 - 40
Machinery and Equipment	2 - 15
Infrastructure	30 - 50
Other Improvements	10 - 45

**J. Unavailable and unearned revenue**

Unearned revenue is reported for transactions for which revenue has not yet been earned. In the governmental fund financial statements, unavailable revenue is recorded when transactions have not met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable and unearned revenues for transactions for which revenues have not been earned, or for which funds are not available to meet current financial obligations. Typical transactions for which unearned and unavailable revenues are recorded are grants received but not yet earned or available.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

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

**K. Claims and Judgments**

When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. The short-term and long-term workers' compensation and general liability claims payable are reported in an Internal Service Fund.

**L. 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 and American Institute of Certified Public Accountants (AICPA), requires 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.

**M. Net Position Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

**N. Fund Balance Flow Assumptions**

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**O. Fund Balance Policies**

**Non-spendable Fund Balances**

These include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact; e.g., the principal of an endowment fund. Examples of "not in spendable form" include inventory, prepaid amounts, property held for resale and other items not expected to be converted to cash. However, if the proceeds from the eventual sale or liquidation of the items would be considered restricted, committed or assigned (as defined further on) then these amounts would be classified as restricted, committed or assigned rather than non-spendable. A debt service reserve fund held by a trustee is an example of fund balance in non-spendable form that is classified as restricted instead of non-spendable since the reserve is eventually liquidated to make the final debt service principal payment.

**Restricted Fund Balances**

Restricted fund balances have externally enforceable limitations on use. The limitations on use can be imposed by creditors, grantors, or contributors as well as by constitutional provisions, City charter, enabling legislation, laws and government regulations.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

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

**Committed Fund Balances**

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (Ordinance) of the City Council are classified as committed fund balances.

**Assigned Fund Balances**

Fund balance amounts for which the City Council has expressed intent for use but not taken formal action to commit are reported as assigned under GASB 54.

**Unassigned Fund Balance**

The residual classification for the General Fund is unassigned fund balance. The General Fund is the only fund that may report a positive unassigned fund balance. Negative fund balance reported in Special Revenue Funds is classified as unassigned fund balance.

**O. 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 represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to pensions and for a deferred loss on a debt refunding.

In addition to liabilities, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has certain items, which arise only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows as a result of the City's implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which qualify for reporting in this category.

**P. 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 of Susanville'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.

**Q. New Accounting Pronouncements**

The Governmental Accounting Standards Board has issued the following Pronouncements, which may affect the City's financial reporting requirements in the future:

*GASB 84 - Fiduciary Activities:* This Statement establishes criteria for identifying fiduciary activities of all state and local governments. This Statement is effective for reporting periods beginning after December 15, 2018.

*GASB 87 - Leases:* This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

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

*GASB 90 - Majority Equity Interests:* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

*GASB 91 - Conduit Debt Obligations:* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

**2. CASH AND INVESTMENTS**

**A. Summary of Cash and Investments**

Cash and investments are reported within the basic financial statements as follows:

	Government-wide Statement of Net Position			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and Investments	\$ 6,240,493	\$ 9,755,661	\$ 307,760	\$ 16,303,914
Restricted Cash and Investments	-	2,690,107	-	2,690,107
<b>Total Cash and Investments</b>	<b>\$ 6,240,493</b>	<b>\$ 12,445,768</b>	<b>\$ 307,760</b>	<b>\$ 18,994,021</b>

Cash and investments as of June 30, 2019 consist of the following:

Cash on Hand	\$ 1,050
Deposits with Financial Institutions	367,444
Local Agency Investment Fund	16,165,050
Investments with Fiscal Agent:	
Money Market	2,460,477
<b>Total Cash and Investments</b>	<b>\$ 18,994,021</b>

**B. Deposits**

The carrying amount of the City's deposits was \$367,444 at June 30, 2019. Bank balances before reconciling items amounted to \$536,101 at June 30, 2019. The City has not waived the collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. Amounts are collateralized with securities held by the pledging financial institution in the City's name.

The California Government Code (Code) requires California banks and savings and loan associations to secure the City's 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 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 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 deposits.

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.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**2. CASH AND INVESTMENTS – Continued**

**C. 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 (LAIF)	N/A	\$50 million	\$50 million
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	None	None
Bankers' Acceptances	6 months	30%	None
Commercial Paper	6 months	15%	None
Negotiable Certificates of Deposits	6 months	30%	None
Non-negotiable Certificates of Deposits	1 year	20%	None
Federally Insured Time Deposits	1 year	20%	None

**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	Total	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 36 Months	37 to 60 Months	More than 60 Months
LAIF	\$ 16,165,050	\$ 16,165,050	\$ -	\$ -	\$ -
Held by Fiscal Agents:					
Money Market	2,460,477	2,460,477	-	-	-
	<u>\$ 18,625,527</u>	<u>\$ 18,625,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**E. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

The City’s investments (including investments held by bond trustees) do not include any investments that are highly sensitive to interest rate fluctuations.

**F. 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 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.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**2. CASH AND INVESTMENTS – Continued**

Investment Type	Total	Minimum Legal Rating	Exempt from Rating
LAIF	\$ 16,165,050	N/A	\$ 16,165,050
Held by Fiscal Agents:			
Money Market	2,460,477	N/A	2,460,477
Total Pooled Investments	<u>\$ 18,625,527</u>		<u>\$ 18,625,527</u>

**G. Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. The City has no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments by reporting unit (primary government, governmental activities, business type activities, fiduciary funds, major funds, non-major funds in the aggregate).

**H. Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk.

**I. External Investment Pools**

The California Local Agency Investment Fund (LAIF) is a special fund of the California State Treasury through which local governments may pool investments. The City may invest up to \$65,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. All investments with the LAIF are secured by the full faith and credit of the state of California.

Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

The LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee, comprised of California State officials and various participants, provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's Office. The City is a voluntary participant in the investment pool. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**J. Investment Valuation**

Investments (except for money market accounts, time deposits, and commercial paper) 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.

None of the City's investments as of June 30, 2019 are subject to the fair value hierarchy measurements (LAIF and money market investments only).

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**3. LOANS RECEIVABLE**

As of June 30, 2019, total Loans Receivable of \$1,195,056 consisted of the following:

EDBG Business Assistance Program: The Economic Development Block Grant (EDBG) business assistance loan program provides loans for small businesses. These loans are reported in the City's General Fund, with outstanding balances of \$52,136 as of June 30, 2019.

State Revolving Loan Program: This program provides loans to eligible low-income qualifying residents. Loans include first-time homebuyer loans and loans for housing rehabilitation. Loan repayment funds are restricted for the program. Each loan is secured by a lien against the borrower's property and repayment is deferred until the resident moves out of the property, sells the property, or otherwise violates the loan provisions. These loans are reported in nonmajor governmental funds, with outstanding balances of \$855,395 as of June 30, 2019.

HOME Revolving Loan Program: This program provides housing rehabilitation loans to eligible low-income qualifying residents. Funding is provided through the State of California HOME program and loan repayment funds are restricted for the program. Each loan is secured by a lien against the borrower's property and repayment is deferred until the resident moves out of the property, sells the property, or otherwise violates the loan provisions. These loans are reported in nonmajor governmental funds, with outstanding balances of \$287,525 as of June 30, 2019.

**4. CAPITAL ASSETS**

The following represents capital asset activity for the fiscal year ended June 30, 2019:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 3,585,211	\$ -	\$ -	\$ 3,585,211
Construction in Progress	-	7,799	-	7,799
Total Capital Assets Not Depreciated	3,585,211	7,799	-	3,593,010
Capital Assets, Being Depreciated:				
Infrastructure	3,030,903	1,404,002	-	4,434,905
Buildings	1,092,436	-	-	1,092,436
Machinery and Equipment	2,940,452	88,218	-	3,028,670
Other Improvements	2,365,050	-	-	2,365,050
Total Capital Assets Being Depreciated	9,428,841	1,492,220	-	10,921,061
Less Accumulated Depreciation:				
Infrastructure	(504,624)	(202,060)	-	(706,684)
Buildings	(1,050,084)	(5,364)	-	(1,055,448)
Machinery and Equipment	(2,325,179)	(129,449)	-	(2,454,628)
Other Improvements	(2,365,050)	-	-	(2,365,050)
Total Accumulated Depreciation	(6,244,937)	(336,873)	-	(6,581,810)
Net Capital Assets Being Depreciated	3,183,904	1,155,347	-	4,339,251
Total Capital Assets	\$ 6,769,115	\$ 1,163,146	\$ -	\$ 7,932,261

Depreciation expense was allocated to the various functions as follows:

General Government	\$ 14,799
Public Safety	82,590
Streets	233,327
Community Services	6,157
Total Depreciation Expense	\$ 336,873

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**4. CAPITAL ASSETS – Continued**

The beginning balance of governmental activities capital assets includes a net increase of \$2,545,184 for infrastructure capital assets not reported in prior years.

<b>Business-type Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets, Not Depreciated:</b>				
Land	\$ 3,423,604	\$ -	\$ -	\$ 3,423,604
Construction in Progress	902,768	713,808	250,217	1,366,359
<b>Total Capital Assets Not Depreciated</b>	<b>4,326,372</b>	<b>713,808</b>	<b>250,217</b>	<b>4,789,963</b>
<b>Capital Assets, Being Depreciated:</b>				
Infrastructure	26,792,722	25,260	-	26,817,982
Buildings	862,483	-	-	862,483
Machinery and Equipment	4,962,137	40,737	-	5,002,874
Other Improvements	9,855,331	250,217	-	10,105,548
<b>Total Capital Assets Being Depreciated</b>	<b>42,472,673</b>	<b>316,214</b>	<b>-</b>	<b>42,788,887</b>
<b>Less Accumulated Depreciation:</b>				
Infrastructure	(6,451,699)	(480,616)	-	(6,932,315)
Buildings	(513,000)	(17,803)	-	(530,803)
Machinery and Equipment	(4,630,686)	(62,020)	-	(4,692,706)
Other Improvements	(5,480,805)	(388,054)	-	(5,868,859)
<b>Total Accumulated Depreciation</b>	<b>(17,076,190)</b>	<b>(948,493)</b>	<b>-</b>	<b>(18,024,683)</b>
<b>Net Capital Assets Being Depreciated</b>	<b>25,396,483</b>	<b>(632,279)</b>	<b>-</b>	<b>24,764,204</b>
<b>Total Capital Assets</b>	<b>\$ 29,722,855</b>	<b>\$ 81,529</b>	<b>\$ 250,217</b>	<b>\$ 29,554,167</b>

Depreciation expense was allocated to the various functions as follows:

Water	\$ 359,608
Natural Gas	398,434
Airport	172,545
Golf Course	15,098
Geothermal	2,808
<b>Total Depreciation Expense</b>	<b>\$ 948,493</b>

**5. LONG-TERM DEBT ACTIVITY AND BALANCES**

<b>Governmental Activities</b>	Beginning Balance	Additions	Retirements	Ending Balance	Due in One Year
Compensated Absences	\$ 255,575	\$ 83,189	\$ (56,635)	\$ 282,129	\$ 63,894
Net Pension Liability	10,078,701	54,560	-	10,133,261	-
<b>Direct Borrowings:</b>					
Lease Financing (City Hall Project)	1,094,842	-	(100,915)	993,927	104,121
CalPERS Refunding Loan	4,096,000	-	(401,000)	3,695,000	305,000
Community Swimming Pool Loan	1,070,000	-	(67,000)	1,003,000	70,000
<b>Total Government Activities</b>	<b>\$ 16,595,118</b>	<b>\$ 137,749</b>	<b>\$ (625,550)</b>	<b>\$ 16,107,317</b>	<b>\$ 543,015</b>

For governmental activities, compensated absences and the net pension liability are generally liquidated by the General Fund.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**5. LONG-TERM DEBT ACTIVITY AND BALANCES – Continued**

Direct Borrowings:

*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, 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 financing was to defease the 2002 City Hall Revenue Bonds. If an event of default occurs, the Bank at its option may terminate this lease agreement and re-lease all or any portion of the leased property. Future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 104,121	\$ 33,860	\$ 137,981
2021	104,577	30,233	134,810
2022	107,459	26,547	134,006
2023	112,669	22,761	135,430
2024	117,638	18,750	136,388
2025	120,783	14,613	135,396
2026	126,685	10,403	137,088
2027	133,386	5,864	139,250
2028	66,609	1,184	67,793
Totals	<u>\$ 993,927</u>	<u>\$ 164,215</u>	<u>\$ 1,158,142</u>

*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, at an interest rate of 4.75%. Final payment is due on June 30, 2028. The proceeds of the loan were used to satisfy the City's Safety Plan PERS Side Fund obligation, and the City's Miscellaneous Plan PERS Side Fund obligation. The loan is secured by a pledge of 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. The loan agreement contains a provision that in an event of default, outstanding amounts may become immediately due if the City is unable to make payment. Future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 305,000	\$ 171,879	\$ 476,879
2021	335,000	157,059	492,059
2022	367,000	140,766	507,766
2023	402,000	122,906	524,906
2024	438,000	103,384	541,384
2025	477,000	82,127	559,127
2026	518,000	58,971	576,971
2027	562,000	33,844	595,844
2028	291,000	10,379	301,379
Totals	<u>\$ 3,695,000</u>	<u>\$ 881,315</u>	<u>\$ 4,576,315</u>

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**5. LONG-TERM DEBT ACTIVITY AND BALANCES – Continued**

*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, at an interest rate of 3.17%. Final payment is due 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. Future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	80,000	21,176	101,176
2025	82,000	18,608	100,608
2026	85,000	15,961	100,961
2027	87,000	13,235	100,235
2028	89,000	10,445	99,445
2029	92,000	7,576	99,576
2030	95,000	4,612	99,612
2031	98,000	1,553	99,553
<b>Totals</b>	<b>\$ 1,003,000</b>	<b>\$ 202,008</b>	<b>\$ 1,205,008</b>

<b>Business-type Activities</b>	Beginning Balance	Additions	Retirements	Ending Balance	Due in One Year
Compensated Absences	\$ 70,169	\$ 16,569	\$ (16,841)	\$ 69,897	\$ 17,542
Net Pension Liability	1,355,242	-	(75,093)	1,280,149	-
Revenue Bonds, Series A	7,515,000	-	(285,000)	7,230,000	290,000
Revenue Bonds, Series B	23,815,000	-	(330,000)	23,485,000	360,000
Discount	(319,051)	-	11,817	(307,234)	-
Notes from Direct Borrowings	793,000	-	(18,000)	775,000	18,000
<b>Total Business-type Activities</b>	<b>\$ 33,229,360</b>	<b>\$ 16,569</b>	<b>\$ (713,117)</b>	<b>\$ 32,532,812</b>	<b>\$ 685,542</b>

*Revenue Bonds, Series A*

The City issued \$9,700,000 in 2010 Refunding Revenue Bonds, Series A, to refund the 2000 Water Revenue Bonds, which were issued to finance improvements in the City's water enterprise. Interest rates range from .6% to 5.0%, with interest payments due on June 1 and December 1 of each year. Principal is due on June 1 of each year, with the final payment due in 2036. The liability for these Bonds is reported in the Water Enterprise Fund.

The Series A Bonds are secured by revenues received from the operation of the Water Enterprise Fund. The City has covenanted to set rates and charges for the services and facilities of the Water Enterprise sufficient to provide net revenues each fiscal year equal to 125% of the Water Annual Debt Service (as defined in the bond documents), 105% of the Water Annual Debt Service plus subordinate debt service, and 100% of all obligations of the City which are payable from the water enterprise fund in a given fiscal year. Future debt service requirements are as follows:

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**5. LONG-TERM DEBT ACTIVITY AND BALANCES – Continued**

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 290,000	\$ 344,363	\$ 634,363
2021	300,000	335,662	635,662
2022	310,000	325,913	635,913
2023	325,000	310,412	635,412
2024	340,000	294,162	634,162
2025 - 2029	1,980,000	1,206,737	3,186,737
2030 - 2034	2,505,000	681,613	3,186,613
2035 - 2036	1,180,000	89,250	1,269,250
Totals	<u>\$ 7,230,000</u>	<u>\$ 3,588,112</u>	<u>\$ 10,818,112</u>

*Revenue Bonds, Series B*

The City issued \$25,160,000 in 2010 Refunding Revenue Bonds, Series B, to refund the Natural Gas Certificates of Participation, which were issued to finance improvements in the City's Natural Gas enterprise. Interest rates range from 2% to 6.0%, with interest payments due on June 1 and December 1 of each year. Principal is due on June 1 of each year, with the final payment due in 2045.

The liability for the Series B Bonds is reported in the Natural Gas Enterprise Fund. The Series B Bonds are secured by revenues received from the operation of the Natural Gas Enterprise Fund. The City has covenanted 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. Future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 360,000	\$ 1,358,013	\$ 1,718,013
2021	395,000	1,341,812	1,736,812
2022	430,000	1,323,050	1,753,050
2023	465,000	1,302,625	1,767,625
2024	510,000	1,279,375	1,789,375
2025 - 2029	3,065,000	5,955,600	9,020,600
2030 - 2034	4,030,000	4,997,088	9,027,088
2035 - 2039	5,360,000	3,661,812	9,021,812
2040 - 2044	7,170,000	1,850,700	9,020,700
2045	1,700,000	102,000	1,802,000
Totals	<u>\$ 23,485,000</u>	<u>\$ 23,172,075</u>	<u>\$ 46,657,075</u>

All revenues from the City's water and gas enterprises are generally pledged to repayment of the Series A and B Bonds. Annual revenues approximate \$2.8 and \$4.8 million per year for the water and gas enterprises, respectively. For the 2018-19 fiscal year, net revenues for the water enterprise were approximately \$1.1 million, while total principal and interest payments on the Series A Bonds totaled \$644,075.

Net revenues for the gas enterprise were approximately \$2.4 million, while total principal and interest payments on the Bonds totaled \$1,702,450. The Bond Indenture contains a provision that, in an event of default, outstanding amounts may become immediately due and payable.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**5. LONG-TERM DEBT ACTIVITY AND BALANCES – Continued**

*Notes from Direct Borrowings*

The City entered into a loan agreement with the United States Department of Agriculture in 2003 to help finance a water transmission line project. The outstanding balance of \$775,000 at June 30, 2019 is reported in the water enterprise fund. Interest is payable semiannually each March and September until 2043, at 4.25%. Principal is payable annually on September 23. Future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 18,000	\$ 32,555	\$ 50,555
2021	19,000	31,769	50,769
2022	20,000	30,940	50,940
2023	21,000	30,069	51,069
2024	22,000	29,155	51,155
2025	23,000	28,199	51,199
2026	24,000	27,200	51,200
2027	25,000	26,159	51,159
2028	26,000	25,075	51,075
2029	27,000	23,949	50,949
2030	28,000	22,780	50,780
2031	29,000	21,568	50,568
2032	31,000	20,295	51,295
2033	32,000	18,955	50,955
2034	33,000	17,574	50,574
2035	35,000	16,128	51,128
2036	36,000	14,620	50,620
2037	38,000	13,047	51,047
2038	39,000	11,411	50,411
2039	41,000	9,711	50,711
2040	43,000	7,926	50,926
2041	45,000	6,057	51,057
2042	47,000	4,101	51,101
2043	49,000	2,061	51,061
2044	24,000	510	24,510
Totals	<u>\$ 775,000</u>	<u>\$ 471,814</u>	<u>\$ 1,246,814</u>

**6. DEFINED BENEFIT PENSION PLAN**

**General Information about the Defined Benefit Pension Plan**

**Plan Descriptions** – 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 and a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous 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 the Financial Statements**  
Year Ended June 30, 2019

**6. DEFINED BENEFIT PENSION PLAN**

**Benefits Provided** – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2017 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2017 actuarial valuation report. This report is a publicly available valuation report that can be obtained at the CalPERS’ website under Forms and Publications.

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

	Miscellaneous	Miscellaneous PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55 to 60	62
Monthly benefits, as a % of eligible compensation	2% to 3%	2%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	13.439% + \$269,155	6.842% + \$370
	Safety	Safety PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	57
Monthly benefits, as a % of eligible compensation	3%	2.70%
Required employee contribution rates	9%	11.5%
Required employer contribution rates	20.556% + \$340,823	12.141% + \$2,480

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

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$612,828 in fiscal year 2019.

The City’s contributions to the Plan for the year ended June 30, 2019 were \$1,030,749.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**6. DEFINED BENEFIT PENSION PLAN – Continued**

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

As of June 30, 2019, the City reported a liability of \$11,413,410 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the Plan's net pension liability as of June 30, 2017 and 2018 was as follows:

Proportion - June 30, 2017	0.11529%
Proportion - June 30, 2018	0.11844%
Change - Increase (Decrease)	0.00315%

For the year ended June 30, 2019, the City recognized pension expense of \$1,359,141. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,030,749	\$ -
Differences between actual and expected experience	263,408	-
Changes in assumptions	974,553	-
Change in employer's proportion	323,664	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	752,218
Net differences between projected and actual earnings on plan investments	68,342	-
Total	<u>\$ 2,660,716</u>	<u>\$ 752,218</u>

The \$1,030,749 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2020	\$ 849,603
2021	460,009
2022	(342,697)
2023	(89,166)
2024	-
Thereafter	-

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**6. DEFINED BENEFIT PENSION PLAN – Continued**

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

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

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

(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**Long-term Expected Rate of Return** - 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 rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.

(2) An expected inflation of 2.92% used for this period.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**6. DEFINED BENEFIT PENSION PLAN – Continued**

**Discount Rate** – The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**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	\$	18,051,550
Current Discount Rate		7.15%
Net Pension Liability	\$	11,413,410
1% Increase		8.15%
Net Pension Liability	\$	5,956,451

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

**Payable to the Pension Plan** - At June 30, 2019, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2019.

**7. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters, for which the City is a member of the Small Cities Organized Risk Effort (SCORE) through a joint powers agreement. SCORE 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. Claims liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and pay-out amounts), and other economic and social factors.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**7. RISK MANAGEMENT - Continued**

No claims liabilities have been reported in the City's financial statements for the past three years. Settlements have not exceeded coverage for each of the past three fiscal years. The City's claims activity is reported in internal service funds.

**8. FUND BALANCES**

The details of fund balances as of June 30, 2019 are as follows:

	General Fund	Gas Tax Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaid Items	\$ 25,622	\$ -	\$ -	\$ 25,622
Inventory	31,895	-	-	31,895
Loans Receivable	52,136	-	-	52,136
Restricted for:				
Public Safety	-	-	245,084	245,084
Parks	-	-	157,532	157,532
Housing	-	-	1,619,452	1,619,452
Streets and Transportation	-	-	643,010	643,010
Community Development	-	-	292,461	292,461
Capital Projects	18,615	-	-	18,615
Assigned for:				
Economic Development	223,380	-	-	223,380
Debt Service	-	-	313,149	313,149
Capital Projects	-	-	13,848	13,848
Unassigned	3,462,765	(83,878)	(44,774)	3,334,113
<b>Total Fund Balances</b>	<b>\$ 3,814,413</b>	<b>\$ (83,878)</b>	<b>\$ 3,239,762</b>	<b>\$ 6,970,297</b>

**9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfund Transfers**

The details of the interfund transfers are as follows:

Transfers Out	Transfers In			Total
	Gas Tax Fund	Non-major Governmental Funds	Non-major Enterprise Funds	
General Fund	\$ 166,717	\$ 575,664	\$ 68,628	\$ 811,009
Gas Tax Fund	-	13,080	-	13,080
Non-major Governmental Funds	-	101,000	-	101,000
Water Fund	-	60,888	-	60,888
Natural Gas Fund	69,744	51,024	-	120,768
<b>Total</b>	<b>\$ 236,461</b>	<b>\$ 801,656</b>	<b>\$ 68,628</b>	<b>\$ 1,106,745</b>

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS - Continued**

The General, Water, and Natural Gas Funds transferred \$575,664, \$60,888 and \$51,024, respectively, to the non-major governmental funds to make debt service payments on outstanding loans. In addition, the General Fund transferred \$166,717 to the Gas Tax fund for maintenance of effort requirements. The General Fund transferred \$68,628 to the non-major enterprise funds to fund current year operating deficits. The Natural Gas Fund transferred \$69,744 to the Gas Tax fund for street repairs due to gas lateral installations.

**Due to/From Other Funds**

The General Fund loaned \$40,098 to the Tobacco Grant non-major governmental fund to cover temporary cash deficits at year-end. This will be repaid in the following year. This fund has a deficit of \$44,774 at year-end and will be eliminated when receivables become available. In addition, the General Fund loaned the Agency Funds to cover temporary cash deficits that will be repaid in the following year.

**10. 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. HLVRA 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 (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.

*Lassen Transit Service Agency*

The Lassen Transit Service Agency (Agency) was created through a joint powers agreement 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 members of the Lassen County Board of Supervisors and three members of the City of Susanville City Council. The Agency allocates and distributes the Transportation Development Act (TDA) funding for LRB service operations. In addition to TDA funds, the Agency receives funding from several sources 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 has six members comprised of three members from the Lassen County Board of Supervisors and three members from the Susanville City Council.

**City of Susanville**  
**Notes to the Financial Statements**  
Year Ended June 30, 2019

**11. COMMITMENTS AND CONTINGENCIES**

**A. Grants**

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

**B. Other Commitments and Contingencies**

At June 30, 2019, the City had outstanding construction contracts of approximately \$1.47 million. In addition, the City is a defendant in various pending lawsuits of a nature common to many similar jurisdictions. City management and legal counsel estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the City's financial statements.

**12. SUBSEQUENT EVENTS**

Subsequent to June 30, 2019, the City issued \$6,946,300 in Series 2019 Water Revenue Refunding Bonds, and \$20,470,000 in Series 2019 Natural Gas Revenue Refunding Bonds. These bonds were issued to refund the outstanding Series A and B 2010 Revenue Bonds, currently reported in the Water and Natural Gas Funds.

**13. RESTATEMENT OF NET POSITION**

The restatement of net position of \$2,545,184 in the Statement of Activities for Governmental Activities is to record infrastructure capital assets not reported in prior years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Susanville**  
**Required Supplementary Information**  
Year Ended June 30, 2019

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

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2018	0.118440%	\$ 11,413,410	\$ 3,144,855	362.92%	76.50%
2017	0.115290%	11,433,943	3,167,033	361.03%	73.31%
2016	0.113640%	9,833,346	3,342,599	294.18%	74.06%
2015	0.106160%	7,287,061	3,234,445	225.30%	78.40%
2014	0.109380%	6,657,753	2,953,546	225.42%	79.82%

\*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

**Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability**

**Benefit Changes:** None

**Changes in Assumptions:** In 2017, the accounting discount rate changed from 7.65% to 7.15%

**City of Susanville**  
**Required Supplementary Information**  
Year Ended June 30, 2019

**Schedule of Pension Plan Contributions**  
**Last 10 Years\***

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2019	\$ 1,030,749	\$ (1,030,749)	\$ -	\$ 3,331,464	30.94%
2018	865,752	(865,752)	-	3,144,855	27.53%
2017	848,437	(848,437)	-	3,167,033	26.79%
2016	749,220	(749,220)	-	3,342,599	22.41%
2015	601,837	(601,837)	-	3,237,445	18.59%

\*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

**Notes to the Schedule of Plan Contributions**

Valuation Date: 6/30/13, 6/30/14, 6/30/15, 6/30/16 and 6/30/17

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund**  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and Assessments	\$ 5,144,091	\$ 5,144,568	\$ 5,236,015	\$ 91,447
Licenses and Permits	84,100	84,792	110,100	25,308
Fines and Forfeitures	26,000	27,853	38,459	10,606
Investment Earnings	35,601	40,101	99,906	59,805
Intergovernmental	327,581	387,629	437,624	49,995
Charges for Services	627,412	579,955	314,957	(264,998)
Other	1,210	95,610	99,506	3,896
<b>Total Revenues</b>	<b>6,245,995</b>	<b>6,360,508</b>	<b>6,336,567</b>	<b>(23,941)</b>
<b>EXPENDITURES</b>				
Current:				
General Government	344,338	539,342	747,423	(208,081)
Public Safety	4,341,801	4,798,581	3,836,328	962,253
Streets	-	-	-	-
Protective Inspections	192,530	185,630	226,543	(40,913)
Community Services	598,322	605,772	340,624	265,148
Community Development	340,691	289,380	107,472	181,908
Capital Outlay	-	12,000	10,778	1,222
<b>Total Expenditures</b>	<b>5,817,682</b>	<b>6,430,705</b>	<b>5,269,168</b>	<b>1,161,537</b>
Excess (Deficiency) of Revenues over Expenditures	428,313	(70,197)	1,067,399	1,137,596
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(776,870)	(789,270)	(811,009)	(21,739)
<b>Total Other Financing Sources (Uses)</b>	<b>(776,870)</b>	<b>(789,270)</b>	<b>(811,009)</b>	<b>(21,739)</b>
<b>Net Change in Fund Balances</b>	<b>(348,557)</b>	<b>(859,467)</b>	<b>256,390</b>	<b>1,115,857</b>
Fund Balance, Beginning of Year	3,558,023	3,558,023	3,558,023	-
Fund Balance, End of Year	<b>\$ 3,209,466</b>	<b>\$ 2,698,556</b>	<b>\$ 3,814,413</b>	<b>\$ 1,115,857</b>

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Gas Tax Special Revenue Fund**  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment Earnings	\$ 2,250	\$ 2,250	\$ 4,089	\$ 1,839
Intergovernmental	649,254	5,255,461	2,125,765	(3,129,696)
Charges for Services	35,400	35,400	14,349	(21,051)
<b>Total Revenues</b>	<b>686,904</b>	<b>5,293,111</b>	<b>2,144,203</b>	<b>(3,148,908)</b>
<b>EXPENDITURES</b>				
Current:				
Streets	791,270	1,149,760	899,280	250,480
Capital Outlay	-	3,594,831	1,386,785	2,208,046
<b>Total Expenditures</b>	<b>791,270</b>	<b>4,744,591</b>	<b>2,286,065</b>	<b>2,458,526</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,366)	548,520	(141,862)	(690,382)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	306,205	236,461	236,461	-
Transfers Out	(13,074)	(13,074)	(13,080)	(6)
<b>Total Other Financing Sources (Uses)</b>	<b>293,131</b>	<b>223,387</b>	<b>223,381</b>	<b>(6)</b>
<b>Net Change in Fund Balances</b>	<b>188,765</b>	<b>771,907</b>	<b>81,519</b>	<b>(690,388)</b>
Fund Balance, Beginning of Year	(165,397)	(165,397)	(165,397)	-
<b>Fund Balance, End of Year</b>	<b>\$ 23,368</b>	<b>\$ 606,510</b>	<b>\$ (83,878)</b>	<b>\$ (690,388)</b>

**City of Susanville**  
**Required Supplementary Information**  
Year Ended June 30, 2019

**1. BUDGETS AND BUDGETARY ACCOUNTING**

***Budgetary Control and Budgetary Accounting***

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. 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. The budget is modified again at mid-year, usually in February with updated revenue projections.

At fiscal year-end, all operating budget appropriations lapse with the exception of encumbered and continuing appropriations.

## **SUPPLEMENTARY INFORMATION**

**City of Susanville**  
**Non-major Governmental Funds**  
Year Ended June 30, 2019

**Special Revenue Funds**

**Local Law Enforcement Block Grant Fund** - accounts for a State grant 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 and 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 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 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.

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

**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.

**Tobacco Grant Fund** – accounts for a State grant used to fund tobacco enforcement education to reduce illegal sales and marketing of cigarettes and tobacco products to minors

**Debt Service Funds**

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

**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 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 Funds**

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

**City of Susanville**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2019

	Special Revenue				
	Local Law Enforcement Block Grant	Street Mitigation	Police Mitigation	Fire Mitigation	Park Land In-lieu
<b>ASSETS</b>					
Cash and Investments	\$ 80,365	\$ 52,675	\$ 49,746	\$ 113,638	\$ 157,673
Accounts Receivable	-	-	-	-	-
Interest Receivable	456	310	180	699	989
Loans Receivable	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 80,821</b>	<b>\$ 52,985</b>	<b>\$ 49,926</b>	<b>\$ 114,337</b>	<b>\$ 158,662</b>
<b>LIABILITIES</b>					
Accounts Payable	-	-	-	-	1,130
Due to Other Funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,130</b>
<b>DEFERRED INFLOWS</b>					
Unavailable Revenues - Grants	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted	80,821	52,985	49,926	114,337	157,532
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>80,821</b>	<b>52,985</b>	<b>49,926</b>	<b>114,337</b>	<b>157,532</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 80,821</b>	<b>\$ 52,985</b>	<b>\$ 49,926</b>	<b>\$ 114,337</b>	<b>\$ 158,662</b>

Special Revenue

State Revolving Loan	HOME Revolving Loan	Traffic Safety	Skyline Bicycle Lane	Traffic Signals	CDBG	Road	Tobacco Grant
\$ 7,311	\$ 464,178	\$ 56,845	\$ 9,416	\$ 82,478	\$ 328,205	\$ 379,386	\$ -
-	-	-	-	-	-	58,737	43,915
2,111	2,932	351	59	518	-	2,235	-
855,395	287,525	-	-	-	-	-	-
<u>\$ 864,817</u>	<u>\$ 754,635</u>	<u>\$ 57,196</u>	<u>\$ 9,475</u>	<u>\$ 82,996</u>	<u>\$ 328,205</u>	<u>\$ 440,358</u>	<u>\$ 43,915</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,744	\$ -	\$ -
-	-	-	-	-	-	-	40,098
-	-	-	-	-	35,744	-	40,098
-	-	-	-	-	-	-	48,591
864,817	754,635	57,196	9,475	82,996	292,461	440,358	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(44,774)
864,817	754,635	57,196	9,475	82,996	292,461	440,358	(44,774)
<u>\$ 864,817</u>	<u>\$ 754,635</u>	<u>\$ 57,196</u>	<u>\$ 9,475</u>	<u>\$ 82,996</u>	<u>\$ 328,205</u>	<u>\$ 440,358</u>	<u>\$ 43,915</u>

Continued

**City of Susanville**  
**Combining Balance Sheet**  
**Non-major Governmental Funds - Continued**  
June 30, 2019

	Debt Service			Capital Projects	Total
	City Hall	Side Fund	Community Swimming Pool	City Hall Parking Lot	
	City Hall	Side Fund	Community Swimming Pool	City Hall Parking Lot	
<b>ASSETS</b>					
Cash and Investments	\$ 52,244	\$ 259,230	\$ 1,675	\$ 13,848	\$ 2,108,913
Accounts Receivable	-	-	-	-	102,652
Interest Receivable	-	-	-	-	10,840
Loans Receivable	-	-	-	-	1,142,920
<b>Total Assets</b>	<b>\$ 52,244</b>	<b>\$ 259,230</b>	<b>\$ 1,675</b>	<b>\$ 13,848</b>	<b>\$ 3,365,325</b>
<b>LIABILITIES</b>					
<b>Accounts Payable</b>	\$ -	\$ -	\$ -	\$ -	\$ 36,874
Due to Other Funds	-	-	-	-	40,098
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,972</b>
<b>DEFERRED INFLOWS</b>					
Unavailable Revenues - Grants	-	-	-	-	48,591
<b>FUND BALANCES</b>					
Restricted	-	-	-	-	2,957,539
Assigned	52,244	259,230	1,675	13,848	326,997
Unassigned	-	-	-	-	(44,774)
<b>Total Fund Balances</b>	<b>52,244</b>	<b>259,230</b>	<b>1,675</b>	<b>13,848</b>	<b>3,239,762</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 52,244</b>	<b>\$ 259,230</b>	<b>\$ 1,675</b>	<b>\$ 13,848</b>	<b>\$ 3,365,325</b>

**City of Susanville**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
Year Ended June 30, 2019

	Special Revenue				
	Local Law Enforcement Block Grant	Street Mitigation	Police Mitigation	Fire Mitigation	Park Land In-lieu
<b>REVENUES</b>					
Fines and Forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	1,299	1,258	554	3,452	4,410
Intergovernmental	119,259	-	-	-	-
Charges for Services	-	8,190	39,752	9,983	1,716
<b>Total Revenues</b>	<b>120,558</b>	<b>9,448</b>	<b>40,306</b>	<b>13,435</b>	<b>6,126</b>
<b>EXPENDITURES</b>					
Current:					
Public Safety	100,000	-	-	-	-
Community Development	-	-	-	-	-
Capital Outlay	-	-	-	40,286	8,929
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>40,286</b>	<b>8,929</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,558	9,448	40,306	(26,851)	(2,803)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>20,558</b>	<b>9,448</b>	<b>40,306</b>	<b>(26,851)</b>	<b>(2,803)</b>
Fund Balances, Beginning of Year	60,263	43,537	9,620	141,188	160,335
Fund Balances, End of Year	<b>\$ 80,821</b>	<b>\$ 52,985</b>	<b>\$ 49,926</b>	<b>\$ 114,337</b>	<b>\$ 157,532</b>

Special Revenue							
State Revolving Loan	HOME Revolving Loan	Traffic Safety	Skyline Bicycle Lane	Traffic Signals	CDBG	Road	Tobacco Grant
\$ -	\$ -	\$ 4,761	\$ -	\$ -	\$ -	\$ -	\$ -
12,762	19,219	1,497	242	2,249	-	6,084	-
-	-	-	-	-	-	329,116	-
-	-	-	420	203	-	-	-
<u>12,762</u>	<u>19,219</u>	<u>6,258</u>	<u>662</u>	<u>2,452</u>	<u>-</u>	<u>335,200</u>	<u>-</u>
-	-	583	-	-	-	-	44,774
3,875	16,734	-	-	-	114,824	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,875</u>	<u>16,734</u>	<u>583</u>	<u>-</u>	<u>-</u>	<u>114,824</u>	<u>-</u>	<u>44,774</u>
<u>8,887</u>	<u>2,485</u>	<u>5,675</u>	<u>662</u>	<u>2,452</u>	<u>(114,824)</u>	<u>335,200</u>	<u>(44,774)</u>
-	-	-	-	-	101,000	-	-
<u>(101,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(101,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,000</u>	<u>-</u>	<u>-</u>
(92,113)	2,485	5,675	662	2,452	(13,824)	335,200	(44,774)
<u>956,930</u>	<u>752,150</u>	<u>51,521</u>	<u>8,813</u>	<u>80,544</u>	<u>306,285</u>	<u>105,158</u>	<u>-</u>
<u>\$ 864,817</u>	<u>\$ 754,635</u>	<u>\$ 57,196</u>	<u>\$ 9,475</u>	<u>\$ 82,996</u>	<u>\$ 292,461</u>	<u>\$ 440,358</u>	<u>\$ (44,774)</u>

Continued

**City of Susanville**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds - Continued**  
Year Ended June 30, 2019

	Debt Service		Capital Projects		Total
	City Hall	Side Fund	Community Swimming Pool	City Hall Parking Lot	
<b>REVENUES</b>					
Fines and Forfeitures	\$ -	\$ -	\$ -	\$ -	\$ 4,761
Investment Earnings	-	-	-	-	53,026
Intergovernmental	-	-	-	-	448,375
Charges for Services	-	-	-	-	60,264
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>566,426</b>
<b>EXPENDITURES</b>					
Current:					
Public Safety	-	-	-	-	145,357
Community Development	-	-	-	-	135,433
Capital Outlay	-	-	-	-	49,215
Debt Service:					
Principal	100,915	401,000	67,000	-	568,915
Interest and Fiscal Charges	37,484	282,625	32,875	-	352,984
<b>Total Expenditures</b>	<b>138,399</b>	<b>683,625</b>	<b>99,875</b>	<b>-</b>	<b>1,251,904</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,399)	(683,625)	(99,875)	-	(685,478)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	138,384	461,352	100,920	-	801,656
Transfers Out	-	-	-	-	(101,000)
<b>Total Other Financing Sources (Uses)</b>	<b>138,384</b>	<b>461,352</b>	<b>100,920</b>	<b>-</b>	<b>700,656</b>
<b>Net Change in Fund Balances</b>	<b>(15)</b>	<b>(222,273)</b>	<b>1,045</b>	<b>-</b>	<b>15,178</b>
Fund Balances, Beginning of Year	52,259	481,503	630	13,848	3,224,584
Fund Balances, End of Year	<u>\$ 52,244</u>	<u>\$ 259,230</u>	<u>\$ 1,675</u>	<u>\$ 13,848</u>	<u>\$ 3,239,762</u>

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Local Law Enforcement Block Grant Fund**  
Year Ended June 30, 2019

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 1,299	\$ 1,299
Intergovernmental	100,000	119,259	19,259
Total Revenues	<u>100,000</u>	<u>120,558</u>	<u>20,558</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	100,000	100,000	-
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>20,558</u>	<u>20,558</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	20,558	20,558
Fund Balance, Beginning of Year	60,263	60,263	-
Fund Balance, End of Year	<u>\$ 60,263</u>	<u>\$ 80,821</u>	<u>\$ 20,558</u>

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Street Mitigation Fund**  
Year Ended June 30, 2019

	Budgeted Amounts	Actual	Variance with
	Final	Amounts	Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ 300	\$ 1,258	\$ 958
Charges for Services	9,800	8,190	(1,610)
Total Revenues	10,100	9,448	(652)
<b>EXPENDITURES</b>			
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,100	9,448	(652)
Fund Balance, Beginning of Year	43,537	43,537	-
Fund Balance, End of Year	\$ 53,637	\$ 52,985	\$ (652)

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Police Mitigation Fund**  
Year Ended June 30, 2019

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment Earnings	\$ 800	\$ 554	\$ (246)
Charges for Services	<u>41,810</u>	<u>39,752</u>	<u>(2,058)</u>
Total Revenues	<u>42,610</u>	<u>40,306</u>	<u>(2,304)</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>34,663</u>	<u>-</u>	<u>34,663</u>
Total Expenditures	<u>34,663</u>	<u>-</u>	<u>34,663</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,947</u>	<u>40,306</u>	<u>32,359</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>27,693</u>	<u>-</u>	<u>(27,693)</u>
Total Other Financing Sources (Uses)	<u>27,693</u>	<u>-</u>	<u>(27,693)</u>
Net Change in Fund Balances	35,640	40,306	4,666
Fund Balance, Beginning of Year	<u>9,620</u>	<u>9,620</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 45,260</u>	<u>\$ 49,926</u>	<u>\$ 4,666</u>

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Fire Mitigation Fund**  
Year Ended June 30, 2019

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment Earnings	\$ 800	\$ 3,452	\$ 2,652
Charges for Services	12,300	9,983	(2,317)
Total Revenues	<u>13,100</u>	<u>13,435</u>	<u>335</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>40,286</u>	<u>40,286</u>	<u>-</u>
Total Expenditures	<u>40,286</u>	<u>40,286</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(27,186)</u>	<u>(26,851)</u>	<u>335</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(27,186)	(26,851)	335
Fund Balance, Beginning of Year	<u>141,188</u>	<u>141,188</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 114,002</u></u>	<u><u>\$ 114,337</u></u>	<u><u>\$ 335</u></u>

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Park Land In-lieu Fund**  
Year Ended June 30, 2019

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 4,410	\$ 4,410
Charges for Services	500	1,716	1,216
Total Revenues	<u>500</u>	<u>6,126</u>	<u>5,626</u>
<b>EXPENDITURES</b>			
Current:			
Community Services	10,000	-	10,000
Capital Outlay	154,000	8,929	145,071
Total Expenditures	<u>164,000</u>	<u>8,929</u>	<u>155,071</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(163,500)</u>	<u>(2,803)</u>	<u>160,697</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(163,500)	(2,803)	160,697
Fund Balance, Beginning of Year	<u>160,335</u>	<u>160,335</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (3,165)</u></u>	<u><u>\$ 157,532</u></u>	<u><u>\$ 160,697</u></u>

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - State Revolving Loan Fund**  
Year Ended June 30, 2019

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ 8,500	\$ 12,762	\$ 4,262
Total Revenues	8,500	12,762	4,262
<b>EXPENDITURES</b>			
Current:			
Community Development	-	3,875	(3,875)
Capital Outlay	-	-	-
Total Expenditures	-	3,875	(3,875)
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,500	8,887	387
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	(104,875)	(101,000)	3,875
Total Other Financing Sources (Uses)	(104,875)	(101,000)	3,875
Net Change in Fund Balances	(96,375)	(92,113)	4,262
Fund Balance, Beginning of Year	956,930	956,930	-
Fund Balance, End of Year	\$ 860,555	\$ 864,817	\$ 4,262

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - HOME Revolving Loan Fund**  
Year Ended June 30, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Final		
<b>REVENUES</b>			
Investment Earnings	\$ 10,000	\$ 19,219	\$ 9,219
Total Revenues	10,000	19,219	9,219
<b>EXPENDITURES</b>			
Current:			
Community Development	17,035	16,734	301
Capital Outlay	-	-	-
Total Expenditures	17,035	16,734	301
Excess (Deficiency) of Revenues Over (under) Expenditures	(7,035)	2,485	9,520
Fund Balance, Beginning of Year	752,150	752,150	-
Fund Balance, End of Year	\$ 745,115	\$ 754,635	\$ 9,520

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual -Traffic Safety Fund**  
Year Ended June 30, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Final		
<b>REVENUES</b>			
Fines and Forfeitures	\$ 10,000	\$ 4,761	\$ (5,239)
Investment Earnings	158	1,497	1,339
	10,158	6,258	(3,900)
<b>EXPENDITURES</b>			
Current:			
Public Safety	4,000	583	3,417
Capital Outlay	-	-	-
	4,000	583	3,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,158	5,675	(483)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	50,000	-	(50,000)
	50,000	-	(50,000)
Net Change in Fund Balances	56,158	5,675	(50,483)
Fund Balance, Beginning of Year	51,521	51,521	-
Fund Balance, End of Year	\$ 107,679	\$ 57,196	\$ (50,483)

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Skyline Bicycle Fund**  
Year Ended June 30, 2019

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 242	\$ 242
Charges for Services	100	420	320
Total Revenues	<u>100</u>	<u>662</u>	<u>562</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>100</u>	<u>662</u>	<u>562</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	100	662	562
Fund Balance, Beginning of Year	<u>8,813</u>	<u>8,813</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 8,913</u></u>	<u><u>\$ 9,475</u></u>	<u><u>\$ 562</u></u>

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Traffic Signals Fund**  
Year Ended June 30, 2019

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 2,249	\$ 2,249
Charges for Services	500	203	(297)
Total Revenues	<u>500</u>	<u>2,452</u>	<u>1,952</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>500</u>	<u>2,452</u>	<u>1,952</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	500	2,452	1,952
Fund Balance, Beginning of Year	<u>80,544</u>	<u>80,544</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 81,044</u></u>	<u><u>\$ 82,996</u></u>	<u><u>\$ 1,952</u></u>

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - CDBG Fund**  
Year Ended June 30, 2019

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Investment Earnings	\$ 1,515	\$ -	\$ (1,515)
Intergovernmental	-	-	-
Total Revenues	<u>1,515</u>	<u>-</u>	<u>(1,515)</u>
<b>EXPENDITURES</b>			
Current:			
Community Development	119,652	114,824	4,828
Capital Outlay	<u>737,633</u>	<u>-</u>	<u>737,633</u>
Total Expenditures	<u>857,285</u>	<u>114,824</u>	<u>742,461</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(855,770)</u>	<u>(114,824)</u>	<u>740,946</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>101,000</u>	<u>101,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>101,000</u>	<u>101,000</u>	<u>-</u>
Net Change in Fund Balances	(754,770)	(13,824)	740,946
Fund Balance, Beginning of Year	<u>306,285</u>	<u>306,285</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (448,485)</u></u>	<u><u>\$ 292,461</u></u>	<u><u>\$ 740,946</u></u>

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Road Fund**  
Year Ended June 30, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Final		
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 6,084	\$ 6,084
Intergovernmental	298,029	329,116	31,087
Total Revenues	298,029	335,200	37,171
<b>EXPENDITURES</b>			
Current:			
Streets	-	-	-
Capital Outlay	298,029	-	298,029
Total Expenditures	298,029	-	298,029
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	335,200	335,200
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	335,200	335,200
Fund Balance, Beginning of Year	105,158	105,158	-
Fund Balance, End of Year	\$ 105,158	\$ 440,358	\$ 335,200

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Tobacco Grant Fund**  
Year Ended June 30, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Final		
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ -	\$ -
Intergovernmental	117,817	-	(117,817)
Total Revenues	117,817	-	(117,817)
<b>EXPENDITURES</b>			
Current:			
Public Safety	117,817	44,774	73,043
Capital Outlay	-	-	-
Total Expenditures	117,817	44,774	73,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(44,774)	(44,774)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	(44,774)	(44,774)
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ (44,774)	\$ (44,774)

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - City Hall Fund**  
Year Ended June 30, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Final		
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ -	\$ -
Charges for Services	-	-	-
	-	-	-
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Current:			
Community Development	-	-	-
Debt Service:			
Principal	100,915	100,915	-
Interest and Fiscal Charges	37,466	37,484	(18)
	138,381	138,399	(18)
Total Expenditures	138,381	138,399	(18)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,381)	(138,399)	(18)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	138,381	138,384	3
Transfers Out	-	-	-
	138,381	138,384	3
Total Other Financing Sources (Uses)	138,381	138,384	3
Net Change in Fund Balances	-	(15)	(15)
Fund Balance, Beginning of Year	52,259	52,259	-
Fund Balance, End of Year	\$ 52,259	\$ 52,244	\$ (15)

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Side Fund Debt Service Fund**  
Year Ended June 30, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Final		
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ -	\$ -
Charges for Services	-	-	-
	-	-	-
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Current:			
Community Development	-	-	-
Debt Service:			
Principal	401,000	401,000	-
Interest and Fiscal Charges	282,625	282,625	-
	683,625	683,625	-
Total Expenditures	683,625	683,625	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(683,625)	(683,625)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	461,345	461,352	7
Transfers Out	-	-	-
	461,345	461,352	7
Total Other Financing Sources (Uses)	461,345	461,352	7
Net Change in Fund Balances	(222,280)	(222,273)	7
Fund Balance, Beginning of Year	481,503	481,503	-
Fund Balance, End of Year	\$ 259,223	\$ 259,230	\$ 7

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Swimming Pool Fund**  
Year Ended June 30, 2019

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Final		
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ -	\$ -
Charges for Services	-	-	-
	-	-	-
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Current:			
Community Development	-	-	-
Debt Service:			
Principal	67,000	67,000	-
Interest and Fiscal Charges	32,857	32,875	(18)
	99,857	99,875	(18)
Total Expenditures	99,857	99,875	(18)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(99,857)	(99,875)	(18)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	99,857	100,920	1,063
Transfers Out	-	-	-
	99,857	100,920	1,063
Total Other Financing Sources (Uses)	99,857	100,920	1,063
Net Change in Fund Balances	-	1,045	1,045
Fund Balance, Beginning of Year	630	630	-
Fund Balance, End of Year	\$ 630	\$ 1,675	\$ 1,045

**City of Susanville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - City Hall Parking Lot Fund**  
Year Ended June 30, 2019

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Capital Outlay	13,846	-	13,846
Total Expenditures	<u>13,846</u>	<u>-</u>	<u>13,846</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,846)</u>	<u>-</u>	<u>13,846</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(13,846)	-	13,846
Fund Balance, Beginning of Year	13,848	13,848	-
Fund Balance, End of Year	<u>\$ 2</u>	<u>\$ 13,848</u>	<u>\$ 13,846</u>

**City of Susanville**  
**Non-major Enterprise Funds**  
Year Ended June 30, 2019

***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 residents of the City.

**City of Susanville**  
**Combining Statement of Net Position**  
**Non-major Enterprise Funds**  
June 30, 2019

	Airport	Golf Course	Geothermal	Totals
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 38,343	\$ 400	\$ 272,792	\$ 311,535
Accounts Receivable	13,151	4,505	5,770	23,426
Interest Receivable	230	-	1,634	1,864
Prepaid Expenses	-	190	62	252
Inventory	-	367	-	367
Total Current Assets	<u>51,724</u>	<u>5,462</u>	<u>280,258</u>	<u>337,444</u>
Noncurrent Assets:				
Capital Assets:				
Non-depreciable	43,189	2,168,107	249,124	2,460,420
Depreciable, net	1,957,482	247,984	38,031	2,243,497
Total Capital Assets	<u>2,000,671</u>	<u>2,416,091</u>	<u>287,155</u>	<u>4,703,917</u>
Total Noncurrent Assets	<u>2,000,671</u>	<u>2,416,091</u>	<u>287,155</u>	<u>4,703,917</u>
Total Assets	<u>2,052,395</u>	<u>2,421,553</u>	<u>567,413</u>	<u>5,041,361</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	1,360	19,406	1,968	22,734
Accrued Liabilities	-	722	-	722
Unearned Revenue	-	33,629	-	33,629
Total Current Liabilities	<u>1,360</u>	<u>53,757</u>	<u>1,968</u>	<u>57,085</u>
Total Liabilities	<u>1,360</u>	<u>53,757</u>	<u>1,968</u>	<u>57,085</u>
<b>NET POSITION</b>				
Investment in Capital Assets	2,000,671	2,416,091	287,155	4,703,917
Unrestricted	50,364	(48,295)	278,290	280,359
Total Net Position	<u>\$ 2,051,035</u>	<u>\$ 2,367,796</u>	<u>\$ 565,445</u>	<u>4,984,276</u>

**City of Susanville**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
Year Ended June 30, 2019

	<u>Airport</u>	<u>Golf Course</u>	<u>Geothermal</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 87,927	\$ 250,089	\$ 102,314	\$ 440,330
Total Operating Revenues	<u>87,927</u>	<u>250,089</u>	<u>102,314</u>	<u>440,330</u>
<b>OPERATING EXPENSES</b>				
Administration	92,214	281,648	92,420	466,282
Depreciation	<u>172,545</u>	<u>15,098</u>	<u>2,808</u>	<u>190,451</u>
Total Operating Expenses	<u>264,759</u>	<u>296,746</u>	<u>95,228</u>	<u>656,733</u>
Operating Income (Loss)	<u>(176,832)</u>	<u>(46,657)</u>	<u>7,086</u>	<u>(216,403)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	609	-	7,144	7,753
Interest Expense	<u>-</u>	<u>(1,532)</u>	<u>-</u>	<u>(1,532)</u>
Total Nonoperating Revenues (Expenses)	<u>609</u>	<u>(1,532)</u>	<u>7,144</u>	<u>6,221</u>
Income Before Capital Contributions and Transfers	<u>(176,223)</u>	<u>(48,189)</u>	<u>14,230</u>	<u>(210,182)</u>
Capital Contributions	19,818	-	-	19,818
Transfers In	22,995	45,633	-	68,628
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(133,410)</u>	<u>(2,556)</u>	<u>14,230</u>	<u>(121,736)</u>
Net Position, Beginning of Year	<u>2,184,445</u>	<u>2,370,352</u>	<u>551,215</u>	<u>5,106,012</u>
Net Position, End of Year	<u>\$ 2,051,035</u>	<u>\$ 2,367,796</u>	<u>\$ 565,445</u>	<u>\$ 4,984,276</u>

**City of Susanville**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
Year Ended June 30, 2019

	Airport	Golf Course	Geothermal	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ 106,872	\$ 255,535	\$ 102,760	\$ 465,167
Payments to Suppliers and Contractors	(93,853)	(188,616)	(89,673)	(372,142)
Payments to Employees	(8,912)	(98,666)	(5,460)	(113,038)
Net Cash from Operating Activities	4,107	(31,747)	7,627	(20,013)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from Other Funds	22,995	45,633	-	68,628
Net Cash from Noncapital Financing Activities	22,995	45,633	-	68,628
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(8,956)	(12,354)	-	(21,310)
Capital Grants	19,818	-	-	19,818
Interest Paid	-	(1,532)	-	(1,532)
Net Cash from Noncapital Financing Activities	10,862	(13,886)	-	(3,024)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	379	-	6,763	7,142
Net Increase (Decrease) in Cash	38,343	-	14,390	52,733
Cash and Cash Equivalents - Beginning of Year	-	400	258,402	258,802
Cash and Cash Equivalents - End of Year	<u>\$ 38,343</u>	<u>\$ 400</u>	<u>\$ 272,792</u>	<u>\$ 311,535</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:</b>				
Operating Income (Loss)	\$ (176,832)	\$ (46,657)	\$ 7,086	\$ (216,403)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	172,545	15,098	2,808	190,451
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	18,945	(111)	446	19,280
(Increase) Decrease in Prepaid	-	-	187	187
(Increase) Decrease in Inventory	-	948	-	948
Increase (Decrease) in Accounts Payable	(10,551)	(7,304)	(2,900)	(20,755)
Increase (Decrease) in Accrued Liabilities	-	722	-	722
Increase (Decrease) in Unearned Revenue	-	5,557	-	5,557
Net Cash Provided by Operating Activities	<u>\$ 4,107</u>	<u>\$ (31,747)</u>	<u>\$ 7,627</u>	<u>\$ (20,013)</u>

**City of Susanville**  
**Internal Service Funds**  
Year Ended June 30, 2019

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

***Risk Administration Fund*** - accounts for 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**  
**Internal Service Funds**  
June 30, 2019

	Governmental Activities Internal Service Funds			Totals
	Public Works Administration	Risk Management	Retirement Benefits	
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 120,533	\$ 647,078	\$ 10,402	\$ 778,013
Accounts Receivable	-	13,027	-	13,027
Interest Receivable	1,879	2,678	-	4,557
Prepays	1,192	10,572	-	11,764
Total Current Assets	<u>123,604</u>	<u>673,355</u>	<u>10,402</u>	<u>807,361</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	5,488	-	2,948	8,436
Accrued Liabilities	-	212,754	-	212,754
Current Portion of Compensated Absences	8,056	-	1,684	9,740
Total Current Liabilities	<u>13,544</u>	<u>212,754</u>	<u>4,632</u>	<u>230,930</u>
Noncurrent Liabilities:				
Compensated Absences	27,517	-	5,770	33,287
Total Noncurrent Liabilities	<u>27,517</u>	<u>-</u>	<u>5,770</u>	<u>33,287</u>
Total Liabilities	<u>41,061</u>	<u>212,754</u>	<u>10,402</u>	<u>264,217</u>
<b>NET POSITION</b>				
Unrestricted	82,543	460,601	-	543,144
Total Net Position	<u>\$ 82,543</u>	<u>\$ 460,601</u>	<u>\$ -</u>	<u>\$ 543,144</u>

**City of Susanville**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
Year Ended June 30, 2019

	Governmental Activities Internal Service Funds			Totals
	Public Works Administration	Risk Management	Retirement Benefits	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 188,002	\$ 765,311	\$ -	\$ 953,313
Total Operating Revenues	<u>188,002</u>	<u>765,311</u>	<u>-</u>	<u>953,313</u>
<b>OPERATING EXPENSES</b>				
Administration	164,261	476,269	-	640,530
Insurance and Claims Costs	<u>117,090</u>	<u>310,005</u>	<u>-</u>	<u>427,095</u>
Total Operating Expenses	<u>281,351</u>	<u>786,274</u>	<u>-</u>	<u>1,067,625</u>
Operating Income (Loss)	<u>(93,349)</u>	<u>(20,963)</u>	<u>-</u>	<u>(114,312)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	7,293	8,843	-	16,136
Interest Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>7,293</u>	<u>8,843</u>	<u>-</u>	<u>16,136</u>
Income (Loss) Before Transfers	<u>(86,056)</u>	<u>(12,120)</u>	<u>-</u>	<u>(98,176)</u>
Transfers In	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(86,056)</u>	<u>(12,120)</u>	<u>-</u>	<u>(98,176)</u>
Net Position, Beginning of Year	<u>168,599</u>	<u>472,721</u>	<u>-</u>	<u>641,320</u>
Net Position, End of Year	<u><u>\$ 82,543</u></u>	<u><u>\$ 460,601</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 543,144</u></u>

**City of Susanville**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
Year Ended June 30, 2019

	Governmental Activities Internal Service Funds			Totals
	Public Works Administration	Risk Management	Retirement Benefits	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Interfund Services Provided	\$ 188,002	\$ 817,613	\$ -	\$ 1,005,615
Cash Paid to Suppliers for Goods and Services	(119,482)	(773,067)	2,132	(890,417)
Cash Paid to Employees	(152,574)	-	(16,955)	(169,529)
Net Cash from Operating Activities	<u>(84,054)</u>	<u>44,546</u>	<u>(14,823)</u>	<u>(54,331)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to Other Funds	-	-	-	-
Net Cash from Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	7,279	7,842	-	15,121
Net Increase (Decrease) in Cash	(76,775)	52,388	(14,823)	(39,210)
Cash and Cash Equivalents - Beginning of Year	197,308	594,690	25,225	817,223
Cash and Cash Equivalents - End of Year	<u>\$ 120,533</u>	<u>\$ 647,078</u>	<u>\$ 10,402</u>	<u>\$ 778,013</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:</b>				
Operating Income (Loss)	\$ (93,349)	\$ (20,963)	\$ -	\$ (114,312)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	-	52,302	-	52,302
(Increase) Decrease in Prepays	(828)	(8,082)	-	(8,910)
Increase (Decrease) in Accounts Payable	(1,564)	-	2,132	568
Increase (Decrease) in Accrued Liabilities	-	21,289	-	21,289
Increase (Decrease) in Compensated Absences	11,687	-	(16,955)	(5,268)
Net Cash from Operating Activities	<u>\$ (84,054)</u>	<u>\$ 44,546</u>	<u>\$ (14,823)</u>	<u>\$ (54,331)</u>

**City of Susanville**  
**Fiduciary Funds**  
Year Ended June 30, 2019

**Section 125 Aflac/Wageworks Fund** - 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.

**IRWMB Fund** - accounts for agency activities for IRWMB.

**Air Pollution – CCI Reduction Fund** – accounts for agency activities for California Climate Investments Reduction.

**City of Susanville**  
**Combingin Statement of Assets and Liabilities**  
**Fiduciary Funds**  
June 30, 2019

	Agency Funds			
	Section 125 Aflac/ Wageworks	LAFCO	HUSA Business Improvement	Air Pollution District
<b>ASSETS</b>				
Cash and Investments	\$ 3,101	\$ 37,202	\$ 12,349	\$ 245,320
Accounts Receivable	-	-	1,187	33,019
Interest Receivable	-	258	-	1,569
Total Assets	<u>\$ 3,101</u>	<u>\$ 37,460</u>	<u>\$ 13,536</u>	<u>\$ 279,908</u>
<b>LIABILITIES</b>				
Accounts Payable	1,360	4,771	10,901	-
Due to City of Susanville	-	-	-	-
Deposits	1,741	32,689	2,635	279,908
Total Liabilities	<u>\$ 3,101</u>	<u>\$ 37,460</u>	<u>\$ 13,536</u>	<u>\$ 279,908</u>

IRWMG	Air Pollution - CCI Reduction	Totals	
\$ -	\$ 9,788	\$ 307,760	
86,037	-	120,243	
-	80	1,907	
\$ 86,037	\$ 9,868	\$ 429,910	\$ 429,910
-	6,000	23,032	
46,008	-	46,008	
40,029	3,868	360,870	
\$ 86,037	\$ 9,868	\$ 429,910	\$ 429,910

**City of Susanville**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
Year Ended June 30, 2019

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Section 125 Aflac/Wageworks</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 1,471	\$ 25,292	\$ 23,662	\$ 3,101
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ 1,471</u>	<u>\$ 25,292</u>	<u>\$ 23,662</u>	<u>\$ 3,101</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deposits	1,471	25,292	23,662	3,101
Total Liabilities	<u>\$ 1,471</u>	<u>\$ 25,292</u>	<u>\$ 23,662</u>	<u>\$ 3,101</u>
<b><u>LAFCO Fund</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 34,283	\$ 112,389	\$ 109,470	\$ 37,202
Accounts Receivable	-	28,252	28,252	-
Interest Receivable	199	266	207	258
Prepays	925	-	925	-
Total Assets	<u>\$ 35,407</u>	<u>\$ 140,907</u>	<u>\$ 138,854</u>	<u>\$ 37,460</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 7,089	\$ 53,401	\$ 55,719	\$ 4,771
Deposits	28,318	4,371	-	32,689
Total Liabilities	<u>\$ 35,407</u>	<u>\$ 57,772</u>	<u>\$ 55,719</u>	<u>\$ 37,460</u>
<b><u>HUSA Business Improvement Fund</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 10,642	\$ 27,458	\$ 25,751	\$ 12,349
Accounts Receivable	4,154	17,871	20,838	1,187
Total Assets	<u>\$ 14,796</u>	<u>\$ 45,329</u>	<u>\$ 46,589</u>	<u>\$ 13,536</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 136	\$ 24,076	\$ 13,311	\$ 10,901
Deposits	14,660	18,476	30,501	2,635
Total Liabilities	<u>\$ 14,796</u>	<u>\$ 42,552</u>	<u>\$ 43,812</u>	<u>\$ 13,536</u>

**City of Susanville**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds - Continued**  
Year Ended June 30, 2019

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Air Pollution District Fund</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 484,487	\$ 462,384	\$ 701,551	\$ 245,320
Accounts Receivable	31,618	73,841	72,440	33,019
Interest Receivable	1,958	1,569	1,958	1,569
Total Assets	<u>\$ 518,063</u>	<u>\$ 537,794</u>	<u>\$ 775,949</u>	<u>\$ 279,908</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,499	\$ 208,335	\$ 209,834	\$ -
Deposits	516,564	329,459	566,115	279,908
Total Liabilities	<u>\$ 518,063</u>	<u>\$ 537,794</u>	<u>\$ 775,949</u>	<u>\$ 279,908</u>
<b><u>IRWMG</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ (803)	\$ 306,628	\$ 305,825	\$ -
Accounts Receivable	-	257,563	171,526	86,037
Total Assets	<u>\$ (803)</u>	<u>\$ 564,191</u>	<u>\$ 477,351</u>	<u>\$ 86,037</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 154,914	\$ 154,914	\$ -
Due to City of Susanville	-	46,008	-	46,008
Deposits	(803)	40,832	-	40,029
Total Liabilities	<u>\$ (803)</u>	<u>\$ 241,754</u>	<u>\$ 154,914</u>	<u>\$ 86,037</u>
<b><u>Air Pollution - CCI Reduction</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 252,670	\$ 242,882	\$ 9,788
Interest Receivable	-	80	-	80
Total Assets	<u>\$ -</u>	<u>\$ 252,750</u>	<u>\$ 242,882</u>	<u>\$ 9,868</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 131,960	\$ 125,960	\$ 6,000
Deposits	-	120,790	116,922	3,868
Total Liabilities	<u>\$ -</u>	<u>\$ 252,750</u>	<u>\$ 242,882</u>	<u>\$ 9,868</u>

**City of Susanville**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds - Continued**  
Year Ended June 30, 2019

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>All Agency Funds</u></b>				
<b>ASSETS</b>				
Cash and Investments	\$ 530,080	\$ 1,186,821	\$ 1,409,141	\$ 307,760
Accounts Receivable	35,772	377,527	293,056	120,243
Interest Receivable	2,157	1,915	2,165	1,907
Prepays	925	-	925	-
	<u>568,934</u>	<u>1,566,263</u>	<u>1,705,287</u>	<u>429,910</u>
Total Assets	<u>\$ 568,934</u>	<u>\$ 1,566,263</u>	<u>\$ 1,705,287</u>	<u>\$ 429,910</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 8,724	\$ 572,686	\$ 559,738	\$ 21,672
Due to City of Susanville	-	46,008	-	46,008
Deposits	560,210	539,220	737,200	362,230
	<u>568,934</u>	<u>1,157,914</u>	<u>1,296,938</u>	<u>429,910</u>
Total Liabilities	<u>\$ 568,934</u>	<u>\$ 1,157,914</u>	<u>\$ 1,296,938</u>	<u>\$ 429,910</u>

## **STATISTICAL SECTION**

## 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.	99
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.	109
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.	113
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.	119
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.	121

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

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>							
Net investment in capital assets	\$ 2,154,482	\$ 2,525,295	\$ 2,648,771	\$ 2,480,051	\$ 2,274,687	\$ 2,062,283	\$ 1,849,411
Restricted	253,461	1,600,652	1,565,208	1,651,776	1,780,484	1,547,711	1,568,520
Unrestricted	3,378,973	3,515,171	3,830,893	4,404,242	5,396,427	5,607,906	5,810,858
<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>\$ 9,217,900</b>	<b>\$ 9,228,789</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)	\$ (1,804,335)	\$ (2,877,539)
Restricted for Debt Service	2,373,866	3,328,579	3,089,827	2,971,552	2,864,661	2,864,798	2,864,195
Unrestricted	(844,764)	(3,708,004)	1,368,985	(5,823,491)	2,044,780	2,269,768	3,649,199
<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>\$ 3,330,231</b>	<b>\$ 3,635,855</b>
<b>Primary government</b>							
Net investment in capital assets	\$ 2,506,996	\$ 4,176,613	\$ (1,243,264)	\$ 6,153,110	\$ (10,440)	\$ 257,948	\$ (1,028,128)
Restricted	2,627,327	4,929,231	4,655,035	4,623,328	4,645,145	4,412,509	4,432,715
Unrestricted	2,534,209	(192,833)	5,199,878	(1,419,249)	7,441,207	7,877,674	9,460,057
<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>\$12,075,912</b>	<b>\$12,548,131</b>	<b>\$12,864,644</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								
2011	2012	2013	2014 (1)	2015	2016	2017	2018	2019
\$ 1,829,076	\$ 2,308,372	\$ 2,012,346	\$ 1,857,866	\$ 2,419,492	\$ 2,861,071	\$ 3,011,863	\$ 3,175,697	\$ 5,935,334
1,498,398	4,528,631	4,087,019	4,440,352	3,939,682	3,228,998	3,091,763	2,694,959	2,967,351
5,908,797	2,409,681	2,510,650	(1,756,001)	(8,820,376)	(9,305,978)	(9,198,224)	(8,920,877)	(7,644,408)
<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>	<u>\$ 1,258,277</u>
\$ (990,783)	\$ (2,692,970)	\$ (488,623)	\$ (3,222,304)	\$ (2,742,485)	\$ (1,573,502)	\$ (1,984,283)	\$ (1,465,481)	\$ 1,382,183
2,287,718	2,289,356	2,446,070	2,445,921	2,446,530	2,446,094	2,447,781	2,453,021	88,104
3,672,627	6,180,214	5,049,590	8,308,203	7,722,700	6,449,364	7,568,558	8,237,205	9,048,747
<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>	<u>\$10,519,034</u>
\$ 838,293	\$ (384,598)	\$ 1,523,723	\$ (1,364,438)	\$ (322,993)	\$ 1,287,569	\$ 1,027,580	\$ 1,710,216	\$ 7,317,517
3,786,116	6,817,987	6,533,089	6,886,273	6,386,212	5,675,092	5,539,544	5,147,980	3,055,455
9,581,424	8,589,895	7,560,240	6,552,202	(1,097,676)	(2,856,614)	(1,629,666)	(683,672)	1,404,339
<u>\$14,205,833</u>	<u>\$15,023,284</u>	<u>\$15,617,052</u>	<u>\$12,074,037</u>	<u>\$ 4,965,543</u>	<u>\$ 4,106,047</u>	<u>\$ 4,937,458</u>	<u>\$ 6,174,524</u>	<u>\$11,777,311</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	2009	2010
<b>Expenses</b>							
Governmental activities:							
General government	\$2,055,249	\$1,991,240	\$1,629,410	\$1,616,449	\$816,839	\$1,228,083	\$1,094,945
Public safety	3,451,988	3,407,302	3,398,809	3,537,646	3,696,206	3,479,617	3,517,162
Streets	887,797	763,635	663,794	884,532	1,427,687	935,540	963,197
Protective Inspections	213,806	190,003	203,979	212,454	244,966	235,270	210,793
Community services	473,055	415,340	328,252	504,755	325,669	288,355	255,316
Community development	255,211	185,535	867,183	336,742	462,648	416,103	149,961
Interest on long term debt	199,930	402,890	294,672	230,157	194,800	186,060	175,910
Total governmental activities expenses	7,537,036	7,355,945	7,386,099	7,322,735	7,168,815	6,769,028	6,367,284
Business-type activities:							
Rodeo	\$70,032	55,031	36,508	0	0	0	0
Airport	81,362	116,260	113,600	145,780	166,609	189,488	171,886
Water	1,442,121	2,207,464	2,200,070	2,180,730	2,145,401	2,396,179	2,126,843
Geothermal	190,297	207,914	104,637	46,800	63,868	55,889	52,561
Natural Gas	2,814,468	3,858,071	4,855,872	4,783,357	4,941,853	4,924,613	4,557,201
Swimming Pool (closed in 2004-05)	193,679	148,842	0	0	0	0	0
Day Care	130,794	140,657	140,796	133,493	118,160	144,912	120,890
Golf Course	1,036	7,701	6,400	37,749	99,865	112,179	136,267
Total business-type activities expenses	4,923,789	6,741,940	7,457,883	7,327,909	7,535,756	7,823,260	7,165,648
Total primary government expenses	\$12,460,825	\$14,097,885	\$14,843,982	\$14,650,644	\$14,704,571	\$14,592,288	\$13,532,932
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
General government	\$362,530	\$854,062	\$1,020,336	\$743,153	\$27,937	\$132,822	\$155,256
Public safety	273,909	448,104	179,907	308,352	121,247	137,948	172,430
Streets	97,142	277,403	0	265,907		36,417	49,047
Protective Inspections	195,483	219,654	232,684	167,645		31,433	9,491
Community services	24,349	31,918	4,784	5,932	8,931	18,526	22,472
Community development	44,159	48,584	45,392	48,620	176,485	100,443	94,344
Operating grants and contributions	2,834,407	675,192	890,930	690,816	1,178,902	1,183,468	748,635
Capital grants and contributions	0	53,172	337,178	494,448	1,098,653	98,210	162,515
Total governmental activities program revenues	3,831,979	2,608,089	2,711,211	2,724,873	2,612,155	1,739,267	1,414,190
Business-type activities:							
Charges for services:							
Rodeo	61,297	50,700	29,654	0	0	0	0
Airport	32,867	36,553	41,302	50,190	52,477	58,097	58,284
Water	1,796,393	2,118,368	2,046,516	2,064,187	2,049,605	2,424,802	2,315,996
Geothermal	250,742	223,565	71,124	73,653	69,389	69,391	69,783
Natural Gas	1,749,040	2,724,148	4,264,151	4,325,805	4,650,665	4,271,575	4,723,849
Swimming Pool	93,474	43,391	0	0	0	0	0
Day Care	98,485	134,231	121,386	117,446	107,890	76,875	60,676
Golf Course	0	0	0	0	0	0	0
Operating grants and contributions	25,666	174,347	202,667	283,641	439,104	10,000	0
Capital grants and contributions				438,934	1,672,609	1,490,068	29,175
Total business-type activities program revenues	4,107,964	5,505,303	6,776,800	7,353,856	9,041,739	8,400,808	7,257,763
Total primary government program revenues	\$7,939,943	\$8,113,392	\$9,488,011	\$10,078,729	\$11,653,894	\$10,140,075	\$8,671,953

Fiscal Year								
2011	2012	2013	2014	2015	2016	2017	2018	2019
\$1,149,706	\$1,105,539	\$787,118	\$943,178	\$975,485	\$528,514	\$478,702	\$969,254	\$1,244,074
3,461,796	3,371,428	3,249,421	3,373,503	3,701,118	3,742,579	4,373,474	4,596,119	4,064,275
1,240,131	839,484	2,580,926	1,006,322	956,939	1,898,033	2,960,232	1,747,522	1,079,366
239,869	203,416	214,070	237,433	207,152	205,391	189,901	271,724	226,543
255,719	242,259	240,801	328,807	259,123	1,300,553	301,068	443,536	346,781
106,432	214,604	405,626	141,523	153,554	343,208	300,922	295,884	242,905
166,008	288,284	116,906	289,184	311,569	327,131	308,646	182,460	397,707
6,619,661	6,265,014	7,594,868	6,319,950	6,564,940	8,345,409	8,912,945	8,506,499	7,601,651
0	0	0	0	0	0	0	0	0
227,608	248,776	236,959	219,979	217,642	274,051	278,398	274,429	264,759
1,997,499	1,976,560	2,041,448	1,989,849	2,091,691	2,166,356	2,217,023	2,146,258	2,137,896
67,755	47,435	48,214	57,744	57,029	79,069	85,691	97,254	95,228
4,341,673	4,093,592	4,052,356	4,170,689	3,766,602	4,180,922	4,171,912	3,868,114	4,054,528
0	0	0	0	0	0	0	0	0
93,502	0	0	0	0	0	0	0	0
311,089	442,571	429,898	350,476	386,181	354,273	314,412	299,189	298,278
7,039,126	6,808,934	6,808,875	6,788,737	6,519,145	7,054,671	7,067,436	6,685,244	6,850,689
\$13,658,787	\$13,073,948	\$14,403,743	\$13,108,687	\$13,084,085	\$15,400,080	\$15,980,381	\$15,191,743	\$14,452,340
\$303,864	\$487,912	\$12,830	\$103,486	\$106,054	\$76,733	\$126,315	\$239,593	\$228,967
201,942	127,275	68,428	52,593	136,678	83,481	119,412	131,708	213,694
61,704	86,309	436	1,715	4,448	197,411	1,581	526	0
8,749	1,761	75,200	117,560	94,793	84,744	87,614	136,430	122,968
20,461	24,152	99,123	178,785	74,784	88,125	57,475	103,050	25,863
86,654	95,094	33,288	52,538	38,249	48,694	12,607	14,856	33,233
741,230	799,904	994,075	1,096,669	925,909	1,030,102	823,166	1,373,417	583,063
600,507	155,084	1,736,845	896,293	738,606	987,566	2,475,395	924,443	2,707,994
2,025,111	1,777,491	3,020,225	2,499,639	2,119,521	2,596,856	3,703,565	2,924,023	3,915,782
0	0	0	0	0	0	0	0	0
70,632	70,075	78,488	81,680	97,128	69,394	72,722	89,210	87,927
2,271,480	2,358,189	2,335,499	2,280,947	2,194,458	2,188,967	2,755,870	2,751,353	2,722,266
100,728	92,731	92,732	92,732	85,004	86,132	69,227	87,385	102,314
4,667,746	4,431,883	4,499,718	4,581,073	3,945,118	4,182,414	4,681,446	4,542,782	4,792,701
0	0	0	0	0	0	0	0	0
39,895	0	0	0	0	0	0	0	0
182,573	318,888	314,274	334,239	354,173	334,800	242,509	259,707	250,089
0	0	38,574	0	0	0	0	0	0
24,176	154,941	99,685	61,354	586,883	163,969	43,524	163,666	34,471
7,357,230	7,426,707	7,458,970	7,432,025	7,262,764	7,025,676	7,865,298	7,894,103	7,989,768
\$9,382,341	\$9,204,198	\$10,479,195	\$9,931,664	\$9,382,285	\$9,622,532	\$11,568,863	\$10,818,126	\$11,905,550

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

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue							
Governmental activities	(\$3,705,057)	(\$4,747,856)	(\$4,674,888)	(\$4,597,862)	(\$4,556,660)	(\$5,029,761)	(\$4,953,094)
Business-type activities	(815,825)	(1,236,637)	(681,083)	25,947	1,505,983	577,548	92,115
Total primary government net expense	(\$4,520,882)	(\$5,984,493)	(\$5,355,971)	(\$4,571,915)	(\$3,050,677)	(\$4,452,213)	(\$4,860,979)
<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	\$913,055	\$829,452
Sales taxes	1,605,629	1,516,274	1,263,661	1,398,022	1,326,767	1,193,085	1,076,014
Transient Lodging Taxes	354,338	462,246	465,369	523,774	517,214	405,860	380,354
Franchise taxes	47,608	45,275	39,161	48,027	55,428	45,197	48,855
Business license taxes	205,664	233,690	276,044	240,592	247,732	235,283	231,796
Other taxes	163,305	326,140	330,685	36,479	246,035	70,723	188,948
Property tax in lieu of sales tax, unrestricted	0	988,907	1,138,723	1,256,457	1,396,408	1,488,666	298,882
Property tax in lieu of VLF, unrestricted	0	308,668	417,836	506,153	419,193	474,943	1,523,051
Use of Money and Property	45,068	351,453	227,236	161,206	163,501	(35,749)	29,896
Gain (loss) on sale of capital assets				0	(6,491)	0	0
Miscellaneous revenues	0	277,911	227,752	42,099	100,101	0	351,735
Transfers	760,288	(239,569)	5,000	(29,920)	5,000	5,000	5,000
Total governmental activities	3,899,740	5,017,503	5,276,330	5,089,059	5,395,802	4,796,063	4,963,983
Business-type activities:							
Use of Money and Property	42,627	184,777	142,518	189,756	282,717	120,656	27,132
Gain on sale of capital assets				3,637	17,982	0	0
Miscellaneous revenues				5,083	1,512	12,713	42,542
Transfers	(760,288)	239,569	(5,000)	29,920	(5,000)	(5,000)	(5,000)
Total business-type activities	(717,661)	424,346	137,518	228,396	297,211	128,369	64,674
Total primary government	3,182,079	5,441,849	5,413,848	5,317,455	5,693,013	4,924,432	5,028,657
Change in Net Position							
Governmental activities	194,683	269,647	601,442	491,197	839,142	(233,698)	10,889
Business-type activities	(1,533,486)	(812,291)	(543,565)	254,343	1,803,194	705,917	156,789
Total primary government	(\$1,338,803)	(\$542,644)	\$57,877	\$745,540	\$2,642,336	\$472,219	\$167,678

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								
2011	2012	2013	2014	2015	2016	2017	2018	2019
(\$4,594,550)	(\$4,487,523)	(\$4,574,643)	(\$3,820,311)	(\$4,445,419)	(\$5,748,553)	(\$5,209,380)	(\$5,582,476)	(\$3,685,869)
318,104	617,773	650,095	643,288	743,619	(28,995)	797,862	1,208,859	1,139,079
(\$4,276,446)	(\$3,869,750)	(\$3,924,548)	(\$3,177,023)	(\$3,701,800)	(\$5,777,548)	(\$4,411,518)	(\$4,373,617)	(\$2,546,790)
\$824,578	\$757,463	\$859,457	\$1,455,797	\$858,107	\$877,382	\$915,021	\$942,800	\$950,310
1,081,602	1,161,677	1,162,834	1,118,328	1,209,899	1,449,788	2,017,089	2,145,343	1,823,116
366,382	391,546	379,119	400,724	442,376	455,099	507,981	520,158	534,174
60,840	49,988	24,493	49,776	24,242	36,767	34,409	26,211	22,972
227,101	220,339	226,004	221,939	237,758	241,985	278,286	200,760	263,874
105,350	79,625	45,175	39,786	37,731	42,996	40,227	48,364	71,768
409,887	304,260	428,017	384,924	358,806	349,848	0	0	0
1,461,838	1,407,887	1,362,579	1,335,361	1,353,298	1,389,739	1,354,666	1,545,612	1,578,415
28,872	61,101	12,535	34,761	11,607	39,206	46,938	63,022	91,527
0	0	0	0	7,514	0	0	0	0
142,288	59,050	0	0	0	0	0	0	0
(375,069)	5,000	(562,239)	(410,379)	(55,164)	111,036	136,074	134,583	113,028
4,333,669	4,497,936	3,937,974	4,631,017	4,486,174	4,993,846	5,330,691	5,626,853	5,449,183
25,297	21,743	18,103	18,698	24,380	35,242	48,312	118,413	268,238
0	0	0	0	0	0	0	0	0
20,098	276,346	0	0	0	0	0	0	0
375,069	(5,000)	562,239	410,379	55,164	(111,036)	(136,074)	(134,583)	(113,028)
420,464	293,089	580,342	429,077	79,544	(75,794)	(87,762)	(16,170)	155,210
4,754,133	4,791,025	4,518,316	5,060,094	4,565,718	4,918,052	5,242,929	5,610,683	5,604,393
(260,881)	10,413	(636,669)	810,706	40,755	(754,707)	121,311	44,377	1,763,314
738,568	910,862	1,230,437	1,072,365	823,163	(104,789)	710,100	1,192,689	1,294,289
\$477,687	\$921,275	\$593,768	\$1,883,071	\$863,918	(\$859,496)	\$831,411	\$1,237,066	\$3,057,603

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

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	\$83,392	\$102,413	\$305,858	\$370,296	\$418,932	\$434,141	\$441,654
Unreserved	711,771	844,902	971,144	1,281,067	1,608,564	1,838,236	2,010,551
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>	<u>2,452,205</u>
All Other Governmental Funds							
Reserved	574,208	420,365	688,726	399,192	382,257	508,891	511,888
Unreserved, reported in:							
Special revenue funds	753,032	589,990	501,016	566,069	1,108,885	811,082	870,418
Capital projects funds	503,734	281,564	13,370	275,168	289,433	309,930	148,527
Debt Service Funds	(178,461)	1,657,994	1,620,694	1,712,950	1,840,120	1,604,737	1,622,026
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>	<u>\$3,152,859</u>

Source: City of Susanville's audited financial statements  
(1) The City includes advances to other funds as nonspendable

2011	2012	2013	2014(1)	2015	2016	2017	2018	2019
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0	0
550,746	270,650	286,411	445,196	104,869	101,417	90,344	109,993	109,653
17,931	18,011	0	18,145	18,196	18,196	18,375	18,615	18,615
123,142	0	0	0	0	0	0	0	0
13,776	25,212	14,776	17,066	63,462	63,462	113,679	303,927	223,380
1,537,145	1,837,349	1,846,833	1,859,126	2,319,757	2,521,280	3,054,261	3,125,488	3,462,765
2,242,740	2,151,222	2,148,020	2,339,533	2,506,284	2,704,355	3,276,659	3,558,023	3,814,413
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	742	0	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	2,957,539
0	0	0	0	0	0	0	0	0
0	0	0	44,599	596,858	632,817	351,353	548,240	326,997
(736,872)	(156,372)	(478,663)	0	0	0	0	(165,397)	(128,652)
\$3,099,713	\$2,778,127	\$2,652,885	\$4,142,089	\$4,518,344	\$3,843,619	\$3,424,741	\$3,059,187	\$3,155,884

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	2010
<b>Revenues</b>							
Taxes and assessments	\$3,191,838	\$4,019,990	\$4,518,116	\$5,113,507	\$4,749,716	\$4,591,529	\$4,345,556
Licenses and permits	195,483	324,535	258,277	189,740	151,143	103,413	100,231
Fines and forfeitures	28,343	41,118	54,872	67,621	74,585	47,614	34,400
Use of money and property	45,068	680,604	232,778	141,181	145,591	(45,822)	26,242
Intergovernmental revenues	2,567,689	1,001,651	1,228,108	1,185,264	2,277,555	1,157,971	812,150
Program income	0	138,092	590,316	1,103,399	222,302	53,969	67,644
Charges for services	132,043	1,322,127	1,115,460	792,797	318,628	308,690	331,481
Other revenues	810,967	763,810	608,611	333,591	276,331	356,862	719,459
<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>6,437,163</b>
<b>Expenditures</b>							
General government	1,553,060	1,806,528	1,591,271	1,399,497	722,770	996,337	969,963
Public safety	3,347,798	3,211,146	3,453,212	3,486,523	3,601,675	3,379,768	3,417,876
Streets	506,158	712,216	670,762	848,692	1,397,936	912,577	948,044
Protective Inspections	212,278	188,475	203,470	212,454	244,966	234,303	209,633
Community services	443,568	324,616	273,198	441,325	265,023	219,456	193,714
Community development	255,211	414,785	863,933	1,500,658	634,274	475,789	265,687
Capital Outlay	1,085,611	593,457	717,791	119,358	104,490	184,642	25,910
Debt service:							
Principal	245,192	213,106	400,559	152,884	144,355	135,000	140,000
Interest	191,951	375,182	290,388	217,507	191,019	182,529	173,289
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>	<b>6,344,115</b>
Excess (deficiency) of revenues over (under) expenditures	(869,396)	452,416	141,954	548,202	909,343	(146,174)	93,047
<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	492,437
Transfers out	(696,723)	(1,073,316)	(731,834)	(421,843)	(550,154)	(878,648)	(487,437)
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>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>	<b>98,047</b>
Debt service as a percentage of non-capital expenditures	6.5%	8.1%	8.9%	4.5%	4.7%	4.9%	5.0%

Source: City of Susanville's audited financial statements

Fiscal Year								
2011	2012	2013	2014	2015	2016	2017	2018	2019
\$4,537,578	\$4,372,785	\$4,498,960	\$5,035,959	\$4,495,698	\$4,907,453	\$5,104,539	\$5,493,736	\$5,236,015
92,956	100,385	74,183	101,323	78,350	86,142	87,084	114,154	110,100
26,667	20,246	31,203	24,301	95,579	99,371	94,449	79,169	43,220
17,202	11,477	27,504	54,042	45,589	72,112	83,168	94,655	157,021
1,299,139	990,261	2,722,868	1,985,090	1,293,514	1,999,435	3,280,340	2,302,882	3,011,764
60,693	36,831	50,400	14,824	27,271	2,910	2,910	20,000	0
98,356	76,106	66,244	71,367	74,323	83,214	151,018	307,453	389,570
602,319	651,310	43,270	249,062	150,233	261,704	45,330	62,007	99,506
6,734,910	6,259,401	7,514,632	7,535,968	6,260,557	7,512,341	8,848,838	8,474,056	9,047,196
944,718	661,910	605,024	753,719	859,783	559,612	459,732	1,028,544	747,423
3,359,711	3,286,106	3,247,121	3,285,119	3,478,557	3,705,924	3,908,056	4,299,489	3,981,685
1,224,596	816,587	2,663,852	973,660	973,736	2,003,878	2,974,325	1,734,312	899,280
238,709	202,256	218,394	229,397	205,594	213,935	191,767	258,145	226,543
193,759	181,416	185,481	209,120	199,819	1,274,122	284,846	427,010	340,624
247,892	214,604	311,528	216,459	153,555	356,909	307,596	287,325	242,905
106,003	200,718	83,207	64,123	182,134	315,516	57,939	50,707	1,446,778
145,000	160,000	135,216	236,367	390,777	427,488	513,770	424,876	568,915
162,064	154,957	94,110	168,604	430,116	313,639	307,056	182,421	352,984
	86,454	0	108,809	0	45,444	0	0	0
6,622,451	5,965,008	7,543,933	6,245,377	6,874,071	9,216,467	9,005,087	8,692,829	8,807,137
112,458	294,392	(29,301)	1,290,591	(613,514)	(1,704,126)	(156,249)	(218,773)	240,059
358,322	1,083,137	168,537	1,335,422	353,284	719,001	801,774	1,201,520	1,038,117
(733,391)	(1,093,137)	(775,416)	(1,058,395)	(455,583)	(693,029)	(494,940)	(1,066,937)	(925,089)
	(1,787,682)	0	(4,798,191)	0	0	0	0	0
		16,356	4,300	7,499	1,500	2,841	0	0
			4,907,000	0	1,200,000	0	0	0
	1,581,555	0	0	0	0	0	0	0
(375,069)	(216,127)	(590,523)	390,136	(94,800)	1,227,472	309,675	134,583	113,028
(262,611)	78,266	(619,823)	1,680,727	(708,314)	(476,654)	153,426	(84,190)	353,087
4.7%	7.0%	3.1%	8.3%	12.3%	8.8%	9.2%	7.0%	12.5%

Schedule 5  
City of Susanville  
Assessed Value and Estimated Actual Value of Taxable Property,  
Last Fourteen 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	\$10,318,697	\$589,154,742	1.0544
2019	\$602,821,995	\$41,818	\$24,212,708	\$9,990,843	\$637,067,364	1.0232

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
2019	1.0000		0.0232		1.0232

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>2019</u>			<u>2010</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	22,806,506	1	3.87%	Wal-Mart	10,971,409	1	1.84%
Wal-Mart	11,968,294	2	2.03%	Rassier-Mariani	9,929,184	2	1.66%
Rassier-Mariani	11,489,566	3	1.95%	Triple E Investment Co. Inc.	8,884,043	3	1.49%
Northeastern Rual	8,186,539	4	1.39%	Susanville Limited Partnership	6,697,866	4	1.12%
ACS Lassen Shopping Center	8,043,627	5	1.37%	Foxdale Associated LTD (Walgreens)	6,111,599	5	1.02%
Ventas Eagle Lake LP	8,041,956	6	1.36%	Nolen Properties	4,954,121	6	0.83%
Foggy-Declaration of Trust	5,460,000	7	0.93%	Lassen Station LP	4,245,329	7	0.71%
Malhi Hotels LLC	4,986,070	8	0.85%	Trav-Cor & Investmetn Inc	4,099,645	8	0.69%
Laguna Ranch LLC	4,525,808	9	0.77%	Standiford, Larry & Reta	4,093,844	9	0.69%
Triple E Investment Co	4,335,295	10	0.74%	Indar Kaur	3,485,971	10	0.58%
<b>Total</b>	<u>#####</u>		<u>15.25%</u>		<u>63,473,011</u>		<u>10.63%</u>

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%
2019	22,225,537	0.04221449	1.04288336	\$938,240	\$938,240	100.00%		\$938,240	100.00%

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					Total Primary Government	Percentage of Property Values (1)	Per Capita (2)
	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	12,665,211		
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	35,224,866		
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	38,205,467	9.05%	3,778
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	37,964,907	9.24%	4,123
2007	2,035,000	19,549		1,080,000	3,134,549	9,345,000	943,000	24,240,000		34,528,000	37,662,549	8.45%	4,149
2008	1,975,000	0		1,015,000	2,990,000	9,200,000	1,285,222	24,240,000		34,725,222	37,715,222	7.57%	4,143
2009	1,910,000	0		945,000	2,855,000	9,050,000	1,306,123	24,240,000		34,596,123	37,451,123	6.92%	4,143
2010	1,845,000	0		870,000	2,715,000	9,050,000	1,336,194	24,240,000	77,034	34,703,228	37,418,228	6.42%	4,165
2011	1,780,000	0		790,000	2,570,000	34,860,000	1,321,967		58,608	36,240,575	38,810,575	6.27%	3,901
2012		1,581,555		700,000	2,281,555	34,230,000	1,330,615		39,063	35,599,678	37,881,233	6.78%	4,150
2013		1,541,339		600,000	2,141,339	33,900,000	1,329,587		18,297	35,247,884	37,389,223	6.88%	3,989
2014		1,457,972	4,859,000	500,000	6,816,972	33,440,000	856,000			34,296,000	41,112,972	7.01%	4,089
2015		1,370,195	4,666,000	390,000	6,426,195	32,955,000	841,000			33,796,000	40,222,195	7.75%	4,504
2016		2,480,708	4,448,000	270,000	7,198,708	32,445,000	826,000			33,271,000	40,469,708	7.37%	4,651
2017		2,324,718	4,221,000	140,000	6,685,718	31,905,000	810,000			32,715,000	39,400,718	7.17%	4,700
2018		2,164,842	4,096,000	0	6,260,842	31,010,949	793,000			31,803,949	38,064,791	6.69%	4,572
2019		1,996,927	3,695,000	0	5,691,927	30,715,000	775,000			31,490,000	37,181,927	5.98%	4,335

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

Schedule 10  
City of Susanville  
Legal Debt Margin Information  
Last Fourteen 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	2019
\$596,724,405	\$572,065,132	\$550,683,209	\$533,097,276	\$530,454,231	\$545,847,294	\$564,468,210	\$589,154,742	\$637,067,364
25%	25%	25%	25%	25%	25%	25%	25%	25%
\$149,181,101	\$143,016,283	\$137,670,802	\$133,274,319	\$132,613,558	\$136,461,824	\$141,117,053	\$147,288,686	\$159,266,841
15%	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	\$22,093,303	\$23,890,026
\$1,780,000	\$1,581,555	\$1,541,339	\$1,457,972	\$1,370,195	\$2,480,708	\$2,324,718	\$2,164,842	\$1,996,927
\$20,597,165	\$19,870,887	\$19,109,281	\$18,533,175	\$18,521,839	\$17,988,566	\$18,842,840	\$19,928,460	\$21,893,099
8.0%	7.4%	7.5%	7.3%	6.9%	12.1%	11.0%	9.8%	8.4%

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

<u>Governmental Unit:</u>	<u>Outstanding Debt 6/30/19</u>	<u>Estimated Percentage Applicable</u>	<u>City's Share of Overlapping Debt</u>
Susanville School Bond	\$4,500,571	100%	<u>\$4,500,571</u>
			\$4,500,571
			<u>\$2,164,842</u>
			<u>\$6,665,413</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
2019		1,996,927	3,695,000	5,691,927	0.89%	648

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

Fiscal Year	Water Revenue Bonds						Miller /Fletcher Assessment Bonds				
	Gross Income and Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special (a) Assessment Collections	Debt Service			
				Principal	Interest			Principal	Interest	Coverage	
2004	\$ 1,804,093	\$ 1,088,017	\$ 716,076	\$ 115,000	\$ 373,114	1.47	72,163	50,000	98,750	0.49	
2005	2,327,816	1,338,483	989,333	134,440	503,440	1.54	572,406	55,000	94,744	3.82	
2006	2,188,482	1,313,937	874,545	140,000	553,358	1.26	417,794	55,000	90,481	2.87	
2007	2,255,916	1,333,562	922,354	145,000	547,213	1.33	228,473	60,000	86,025	1.56	
2008	2,225,392	1,280,646	944,746	156,000	540,691	1.36	112,407	65,000	81,181	0.77	
2009	2,514,097	1,531,625	982,472	161,000	532,967	1.42	138,964	70,000	75,950	0.95	
2010	2,370,463	1,269,644	1,100,819	172,000	526,020	1.58	236,383	75,000	70,331	1.63	
2011	2,296,647	1,274,530	1,022,117	355,000	282,626	1.60	146,991	80,000	64,325	1.02	
2012	2,509,812	1,197,900	1,311,912	250,000	384,735	2.07	124,871	90,000	57,738	0.85	
2013	2,345,393	1,246,419	1,098,974	255,000	382,235	1.72	106,282	95,000	55,069	0.71	
2014	2,290,494	1,286,924	1,003,570	255,000	378,735	1.58	129,324	105,000	42,819	0.87	
2015	2,199,120	1,365,308	833,812	260,000	375,669	1.31	128,052	110,000	34,488	0.89	
2016	2,193,392	1,425,673	767,719	265,000	371,119	1.21	149,933	120,000	25,565	1.03	
2017	2,794,591	1,479,844	1,314,747	270,000	366,384	2.07	1,799	130,000	15,888	0.01	
2018	2,722,257	1,477,798	1,244,459	275,000	359,075	1.96	0	140,000	5,425	0.00	
2019	2,844,198	1,397,731	1,446,467	303,000	440,624	1.95					
Fiscal Year	Natural Gas Revenue Bonds						City Hall Improvement Lease (b)				
	Gross Income and Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Vehicle License Fees	Property Tax In Lieu of VLF	Debt Service		
				Principal	Interest				Principal	Interest	Coverage
2004	\$ 1,749,040	\$ 1,656,334	\$ 92,706	\$ -	\$ 1,414,075	0.07	952,051	0	55,000	107,930	5.84
2005	2,724,148	1,908,214	815,934	-	1,414,075	0.58	120,328	988,907	60,000	106,605	6.66
2006	4,264,151	2,920,251	1,343,900	-	1,414,075	0.95	174,072	1,138,723	60,000	105,015	7.96
2007	4,327,730	2,941,944	1,385,786	-	1,414,075	0.98	116,605	1,256,457	60,000	103,215	8.41
2008	4,650,665	3,010,223	1,640,442	-	1,414,075	1.16	83,753	1,396,408	60,000	101,265	9.18
2009	4,426,856	2,999,389	1,427,467	-	1,414,075	1.01	63,206	1,488,666	65,000	99,043	9.46
2010	4,728,040	2,622,739	2,105,301	-	1,414,075	1.49	54,597	1,523,051	65,000	96,573	9.76
2011	4,680,593	2,914,924	1,765,669	-	1,035,641	1.70	85,151	1,461,838	65,000	94,005	9.73
2012	4,570,796	2,164,607	2,406,189	25,000	1,417,565	1.67	9,022	1,407,887	70,000	91,235	8.79
2013	4,507,141	2,222,000	2,285,141	75,000	1,417,106	1.53			40,216	40,747	
2014	4,589,502	2,385,745	2,203,757	205,000	1,414,761	1.36			83,367	53,215	
2015	3,956,377	1,956,454	1,999,923	225,000	1,409,594	1.22			87,777	50,273	
2016	4,200,070	2,431,844	1,768,226	245,000	1,402,155	1.07			88,707	47,943	
2017	4,725,382	2,468,943	2,256,439	270,000	1,393,731	1.36			90,989	44,036	
2018	4,606,134	2,223,087	2,383,047	300,000	1,384,450	1.41			94,876	40,819	
2019	4,947,906	2,392,595	2,555,311	330,000	1,384,267	1.49			100,915	37,483	

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

Schedule 14  
 City of Susanville and County of Lassen  
 Demographic and Economic Statistics  
 Last Nineteen 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	\$1,143,237,000	\$36,686	6.90%
2018	8,618	6,336	14,954	30,911	n/a	n/a	6.70%
2019	8,781	6,227	15,008	30,150	n/a	n/a	4.60%

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)	2019			Employer	2010		
	Employees	Rank	Percentage of Total City Employment (a)		Employees	Rank	Percentage of Total City Employment (a)
High Desert State Prison	1245	1	28.69%	High Desert State Prison	1504	1	30.20%
California Correctional Center	1126	2	25.94%	California Correctional Center	1268	2	25.46%
Lassen County	442	3	10.18%	Lassen County	464	3	9.32%
Banner Lassen Medical Center	220	4	5.07%	Wal-Mart	226	4	4.54%
Susanville School District	172	5	3.96%	Banner Lassen Medical Center	200	5	4.02%
Wal-Mart	170	6	3.92%	Diamond Mountain Casino	159	6	3.19%
Diamond Mountain Casino	137	7	3.16%	Lassen Community College	153	7	3.07%
Susanville Indian Rancheria	102	8	2.35%	Susanville Indian Rancheria	143	8	2.87%
City of Susanville	102	9	2.35%	Susanville School District	141	9	2.83%
Safeway	99	10	2.28%	Lassen Union High School	122	10	2.45%
Lassen Union High School	85	11	1.96%	Northeastern Rural Health	110	11	2.21%
Susanville Supermarket	70	12	1.61%	Countryvilla Riverview Rehab	105	12	2.11%
Lassen Nursing & Rehab	59	13	1.36%	Safeway	100	13	2.01%
Lassen Community College **				City of Susanville	62	14	1.24%
Northeastern Rural Health **				Susanville Supermarket	52	15	1.04%
	4029		92.83%		4695		94.28%

Source:  
 Employment Development Department, Lassen County Chamber of Commerce

Notes:  
 (a) Total Labor Force for the City is 4170 (2019) and 5000 (2010)  
 (b) Employers listed are within the city limits or have been annexed.

\*Requested Data Not Provided From Employer

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>	<b>2019</b>
2.5	2.5	1.25	1.75	3.5	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	1.5
6	5	5	4.5	4	5	5	5	5	5	5
20	19	18	18	17	19	20	20	20	20	20
11	11	9	9	9	9	9	9	9	9	9
3	3	3.75	3.75	3	3	3	3	3	3	3
2	2	1	1	1	1	1	1	1	1	1
18	18	18	18	20	20	21	21	20	20	20
64	62	57	57	59	62	64	64	63	63	63

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

Function/Program	Fiscal Year							
	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Government</b>								
Building Permits Issued	300	377	465	532	453	467	352	281
Building Inspections Conducted	n/a	690	1094	1452	1821	2249	1921	1152
<b>Police</b>								
Physical arrests	634	578	601	485	681	479	400	565
Parking violations	0	0	0	271	819	498	401	338
Traffic violations	677	1093	472	425	650	724	832	1180
<b>Fire</b>								
Emergency responses	738	1098	1067	1087	1311	1309	1383	1390
Fires extinguished	72	84	70	73	82	96	89	94
Inspections	n/a	n/a	n/a	406	217	350	224	n/a
<b>Public Works</b>								
Street resurfacing (miles)	0	6.27	0	0	0	0.25	0	2.3
Potholes repaired	110	75	125	150	150	180	165	172
<b>Community Services</b>								
Athletic field permits issued	4	4	4	4	4	4	4	4
<b>Water</b>								
New connections	16	31	41	91	34	8	68	-12
Average daily consumption (thousands of gallons)	3026	3057	2954	3039	3152	2758	2116	2123
Peak daily consumption (thousands of gallons)	4932	5055	4394	4642	4900	4777	4809	5308
<b>Natural Gas</b>								
New connections		1480	329	323	124	69	109	73
Average daily consumption MMBTU's		246	328	441	457	513	499	539
Peak daily consumption MMBTU's		481	824	768	834	870	1044	1099

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  
\*\*\*Corrected prior year paving

**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>	<b>2019</b>
332	262	260	342	264	317	336	174	322	362	371
1145	716	574	884	915	843	788	429	858	784	684
483	532	609	712	663	487	496	546	529	459	457
256	248	159	122	114	74	111	124	267	166	172
790	834	564	432	469	182	374	361	169	237	427
1467	1552	1586	770	784	853	1137	1193	1259	1187	1257
67	81	51	46	47	49	49	69	71	59	54
201	252	200	44	47	122	124	105	117	85	146
0	1	1.2	1.21	2.2	2.1	0	0.79	3.73	0.58	1.68
168	159	280	187	147	205	348	197	400	375	389
4	4	4	4	4	4	4	4	4	4	4
22	0	0	0	0	2	2	4	2	0	3
3173	1931	1833	1949	2121	2708	1849	1547	1768	1800	1671
5500	5500	3484	4258	3637	5230	5041	3859	3643	3594	3279
84	71	63	90	134	174	78	52	20	28	20
					*					
472	553	579	548	565	591	505	561	633	619	620
980	887	913	1116	1403	1795	1595	1795	1838	1555	1590

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

Function/Program	Fiscal Year							
	2001	2002	2003	2004	2005	2006	2007	2008
Police								
Stations	1	1	1	1	1	1	1	1
Patrol units	7	7	7	7	7	8	7	8
Fire								
Fire Stations	1	1	1	1	1	1	1	1
Fire engines	5	5	5	5	6	6	6	6
Public works								
Streets (miles)	53	53	53	54	54	54	54	54
Highways (miles)	0	0	0	0	0	0	0	0
Street lights	494	496	502	512	528	532	532	532
Traffic signals	0	0	0	0	0	0	0	0
Community Services								
Parks acreage	97	97	97	147	147	147	147	147
Playgrounds	2	2	2	2	2	2	2	2
Baseball/softball diamonds	3	3	3	3	3	3	3	3
Soccer/football fields	1	1	1	1	1	1	1	1
Museums	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	0	0	0	0
Water								
Water mains (miles)	63	63	64	64	65	65	65	65
Fire Hydrants	344	352	356	371	389	396	403	403
Storage capacity (thousands of gallons)	2000	2000	3000	4000	4000	4000	4000	4000
Water meters	3436	3467	3508	3599	3633	3641	3709	3788
Natural Gas								
Gas mains (miles)	44	56	56	56	57	57	59	59
Gas meters		1480	1809	2063	2143	2212	2281	2462

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

**Fiscal Year**

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1	1	1	1	1	1	1	1	1	1	1
13	14	14	13	13	13	14	14	14	12	12
1	1	1	1	1	1	1	1	1	1	1
6	7	7	7	7	7	6	6	6	6	6
54	54	54	54	54	54	54	54	54	54	54
0	0	0	0	0	0	0	0	0	0	0
532	532	532	532	532	534	534	534	534	534	535
0	0	0	0	0	0	0	0	0	0	0
147	147	147	147	147	147	147	147	147	147	147
2	2	2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3	3	3
1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1
0	0	0	0	0	0	0	0	0	0	0
65	65	65	65	65	65	65	65	65	65	65
410	414	416	422	429	432	434	434	434	434	434
4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000
3797	3807	3800	3803	3803	3805	3807	3811	3813	3813	3816
59	60	61	61	61	61	61	61	61	61	61
2546	2630	2694	2785	2901	3075	3153	3180	3200	3228	3248

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>	<b>2019</b>
478.38	519.60	548.43	487.15	485.07	414.54	446.83	435.91	445.90
190.24	191.80	225.28	202.28	197.26	158.21	169.11	178.95	182.28
668.6	711.4	773.7	689.43	682.34	572.75	615.94	614.86	628.17
\$2,271,480	\$2,358,189	\$2,333,534	\$2,280,209	\$2,185,204	\$2,187,569	\$2,725,529	\$2,750,970	\$2,722,266
0.0034	0.0033	0.0030	0.0033	0.0032	0.0038	0.0044	0.0045	0.0043

Schedule 20  
City of Susanville  
Water Department  
Water Rates  
Last Fifteen 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
2019	\$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	2019			2010	
	Water Charges (a)	Percent of Total Water Revenues		Water Charges (a)	Percent of Total Water Revenues
Lassen County	\$51,581	1.89%	Lassen County	\$68,167	2.94%
Lassen Union High School	\$30,035	1.10%	Susanville Indian Rancheria	\$38,967	1.68%
City of Susanville	\$29,964	1.10%	Lassen Union High School	\$31,555	1.36%
Susanville Indian Rancheria/Casino	\$20,097	0.74%	Hidden Acres	\$21,657	0.94%
Hidden Acres Mobile Home Park	\$12,036	0.44%	Lassen County Fairgrounds	\$21,058	0.91%
Diamond View School	\$12,473	0.46%	Diamond View School	\$16,724	0.72%
Meadowview Elementary School	\$8,517	0.31%	Meadowview School	\$14,466	0.62%
Citrus Manor Apartments	\$8,117	0.30%	Meadowbrook Apartments	\$13,479	0.58%
Walmart	\$7,951	0.29%	Citrus Manor Apartments	\$12,504	0.54%
Drumm, Marie & Fred	\$7,734	0.28%	Millview Apartments	\$12,482	0.54%
	\$188,505	6.92%		\$251,058	10.83%

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
<b>Total</b>	<b>1,298,485</b>	<b>1,705,112</b>	<b>1,873,413</b>	<b>1,824,721</b>	<b>1,967,287</b>	<b>1,763,847</b>	<b>2,029,984</b>
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

Fiscal Year							
2011	2012	2013	2014	2015	2016	2017	2018
969,365	970,855	989,815	1,018,373	937,529	1,002,170	1,280,163	1,132,966
1,145,538	1,059,126	1,072,065	1,133,858	992,290	1,059,923	1,183,869	1,120,308
2,114,903	2,029,981	2,061,880	2,152,231	1,929,819	2,062,093	2,464,032	2,253,274
\$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	\$2.02

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)
2019	\$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.

	Rates
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	2019		2010	
	Gas Charges (a)	Percent of Total Gas Revenues	Gas Charges (a)	Percent of Total Gas Revenues
Lassen County	\$269,354	5.93%	Lassen Community College	301,331 6.38%
Lassen Community College	\$228,554	5.03%	Banner Lassen Hospital	287,522 6.09%
Susanville Indian Rancheria/Casino	\$95,450	2.10%	Lassen County	149,732 3.17%
Banner Lassen	\$88,236	1.94%	Susanville Indian Rancheria	144,734 3.06%
Safeway	\$60,496	1.33%	Northeastern Rural Health Clinic	89,946 1.90%
Lassen High School District	\$56,407	1.24%	Susanville Garden Apartments	67,816 1.44%
Susanville Garden Apartments	\$42,865	0.94%	Safeway	66,150 1.40%
McKinley School	\$42,188	0.93%	Lassen High School/Credence	64,692 1.37%
CalFire	\$37,054	0.82%	McKinley Elementary School	56,336 1.19%
Triple E Corporation/Properties	\$35,848	0.79%	Diamond View School	51,523 1.09%
	\$956,452	21.06%		\$1,279,781 27.09%

Source:  
City of Susanville Finance Department

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