

Reviewed by: ~~JGH~~ City Administrator
~~AW~~ City Attorney

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted By: Jared G. Hancock, City Administrator

Action Date: January 15, 2014

CITY COUNCIL AGENDA ITEM

SUBJECT: Resolution No. 14-5024 Accepting the City of Susanville's Audited Financial Statements for the Fiscal Year ending June 30, 2013.

PRESENTED BY: Jared G. Hancock, City Administrator

SUMMARY: The firm of Badawii and Associates, CPAs has completed the audit of the City's Financial Statements for the fiscal year ended June 30, 2013. The audit included the financial statements of the governmental entities, business-type activities, each major fund, and the aggregate remaining fund information of the City, which collectively comprises the City's basic financial statements.

I am very pleased to report that we have received an unqualified opinion on these financial statements. The City of Susanville has continually received this unqualified or "clean opinion since 2004. Ahmed Badawii, President of Badawii and Associates will present the audit report to the City Council.

FISCAL IMPACT: As a recipient of federal and state funds, the City is required to have an annual audit performed by an independent certified public accountant.

ACTION REQUESTED: Consider **Resolution No. 14-5024**, Accepting the City of Susanville's Audited Financial Statements for the fiscal year ended June 30, 2013

ATTACHMENTS: City of Susanville Comprehensive Annual Financial Report
Resolution No. 15-5024

RESOLUTION NO. 14-5024
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
ACCEPTING THE AUDIT REPORT FOR THE CITY OF SUSANVILLE FOR
THE FISCAL YEAR ENDED
JUNE 30, 2013

WHEREAS, Badawii and Associates, Certified Public Accountants, having been engaged by the City of Susanville to perform the annual audit for the Fiscal Year Ended June 30, 2013; and

WHEREAS, Badawii and Associates, CPAs, have performed the audit and submitted a Comprehensive Annual Financial Report (CAFR) for the City of Susanville for the Fiscal Year Ended June 30, 2013, incorporated herein by reference;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Susanville that the annual financial report for the fiscal year ended June 30, 2013 is hereby accepted for the City of Susanville.

Dated: January 15, 2014

APPROVED: _____
Rod E De Boer, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing Resolution No. 14-5024 was adopted at a regular meeting of the City Council of the City of Susanville held on the 15th day of January, 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM:

Peter M. Talia, City Attorney

2013

Comprehensive Annual Financial Report

Fiscal Year Ended June 30



CITY OF SUSANVILLE

**City of Susanville
 Comprehensive Annual Financial Report
 For the year ended June 30, 2013**

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Comprehensive Annual Financial Report
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Susanville, California 93130
Telephone (530) 252-5100
Fax (530) 252-1020

December 27, 2013

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, 2013 is hereby submitted as mandated by State statutes. These statutes require that the accounts and fiscal affairs of all municipal entities be examined annually by an independent certified public accountant and a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) be published within six months of the close of each fiscal year.

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

The City of Susanville's financial statements have been audited by Badawi & Associates, a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City of Susanville for the fiscal year ended June 30, 2013 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.

Governmental Profile

The City of Susanville is a general-law city incorporated under California law in 1900. 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.

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 development, zoning, building and safety, housing assistance, 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.

The City's accounting records are maintained on a modified accrual basis for governmental funds. 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 required to be legally 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 line items within their respective budgets.

Factors Affecting Financial Condition

With the passage of Proposition 1A, the City has reduced its vulnerability to state raids of city funding sources, but has not eliminated it completely. State legislation has often been directed at local governments to re-direct revenues to cover the State's fiscal mismanagement. The recent dissolution of Redevelopment Agencies (RDAs) has forced some cities throughout the State to assume large debt and liability with revenues being re-directed to the State. Our City was fortunate to not lose any of these revenues as we did not have an RDA with an approved project area.

The remoteness of our City (85 miles from Reno, Nevada and 112 miles from Redding, California) insulates us from some of the large challenges that other cities have faced during this economic downturn, but it also limits the growth that aids in economic recovery. California's high tax base makes it difficult to attract new

industrial and commercial businesses to the State and our remoteness adds to this challenge. Increasing housing prices over the last year has made a positive impact on the revenues received from property taxes and sales taxes. As a percentage of total revenue, property taxes accounted for approximately 19.1% of the general fund revenues in 2013 as compared to 16.9% in 2012, net of transfers. Sales tax comprised 25.8% of general revenues in 2013 as compared to 26.0% in 2012, net of transfers.

Economically the City has continued to balance decreasing revenues by restructuring City functions and maintaining lean staffing levels. This has helped the City prevent layoffs and benefit cuts to employees but it creates a larger demand on existing employees to provide the same level of service to our customers. The population for the City has remained consistent at just under 10,000 since 2000 with a modest 4.9% decline in total population (16,794 to 15,978) from 2012 to 2013. Some of this decline can be attributed to our inmate population due to AB 109 and re-alignment. Government employment accounts for approximately 61% of the total work force within the City.

Long Range Planning

The City continues to focus on and promote quality development and redevelopment projects including industrial, commercial and residential projects. Staff continually looks for opportunities to revitalize and improve our community. Some of the projects that we are currently working on are:

- Search for funding to improve/develop community recreational opportunities, especially along the Susan River Corridor.
- Complete the Water/Gas meter upgrade project to allow for remote reading of meters each month.
- Begin the first phase of replacing water lines throughout the City using the reserves created by the increase in water rates in 2008.
- Establish a Joint Powers Authority with the County to construct and operate a swimming pool
- Increase our economic vitality efforts by promoting recreational activities to attract people to our community.

Awards and Acknowledgments

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

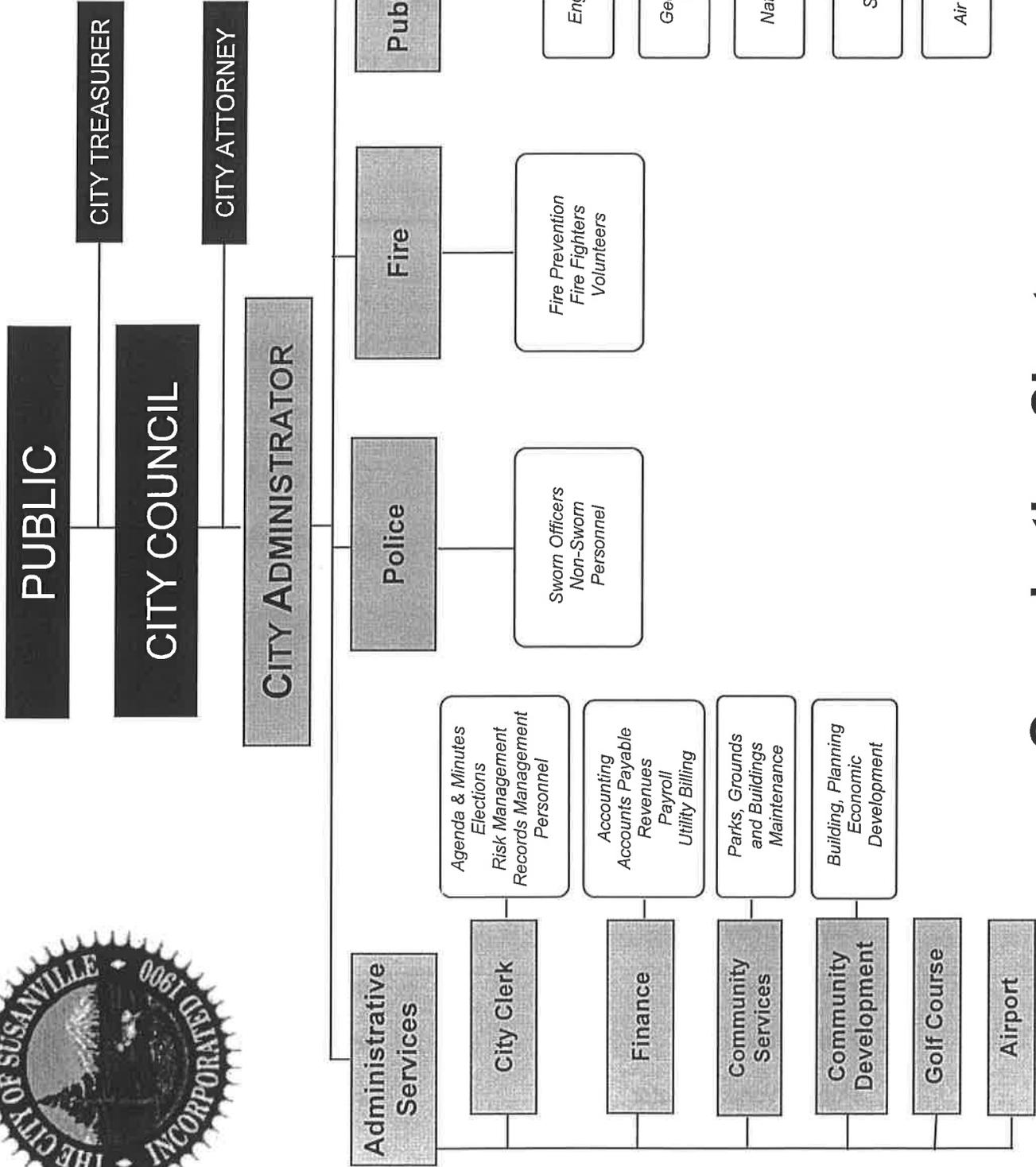
I wish to express my thanks and appreciation to the Mayor, Members of the City Council and Management for their leadership, interest, and continued support in planning and conducting the financial operations of the City of Susanville in a responsible and prudent manner in the best interests of the citizens of Susanville. I

would also like to thank City Staff for their continued dedication to improving our wonderful City.

Respectfully submitted,

Jared G. Hancock

Jared G. Hancock
City Administrator



Organization Chart



Fiscal Year 2012-13

City Council

| | |
|------------------|-------------------|
| Rod E De Boer | Mayor |
| Brian Wilson | Mayor Pro-Tempore |
| Lino Callegari | Council Member |
| Cheryl McDonald | Council Member |
| Nicholas McBride | Council Member |

Executive Staff

| | |
|-----------------------|------------------|
| City Administrator | Jared G Hancock |
| City Clerk | Gwenna MacDonald |
| City Attorney | Peter Talia |
| Police Chief | Tom Downing |
| Fire Chief | Ted Friedline |
| Public Works Director | Craig Platt |

California Society of Municipal Finance Officers

Certificate of Award

*Outstanding Financial Reporting Award
Fiscal Year Ending June 30, 2012*

Presented to the

City of Susanville

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

February 6, 2013



Laura Nomura

*Laura Nomura
CSMFO President*

Scott Catlett

*Scott Catlett, Chair
Professional Standards and
Recognition Committee*

Dedicated Excellence in Municipal Financial Reporting



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Susanville, California (City) as of and for the year ended June 30, 2013, 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.

To the Honorable Mayor and Members of the City Council
of the City of Susanville
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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 as of June 30, 2013, 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, pension funding progress, and budgetary comparison information on pages 5-19 and 86-89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information on pages 95-96 and 109-123, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

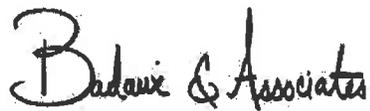
The combining and individual nonmajor fund financial statements, and budgetary comparison information on pages 95-96 and 109-123 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and budgetary comparison information on pages 95-96 and 109-123 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Badawi & Associates".

Badawi & Associates, CPAs
Oakland, California
December 27, 2013

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City of Susanville
Management's Discussion & Analysis
Year Ended June 30, 2013

This is the management's discussion and analysis of the financial performance of the City of Susanville for the fiscal year ended June 30, 2013. 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
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 and for each major individual special revenue fund for which an annual budget is legally adopted. The budgetary comparison includes the original appropriated budget, the final amended budget and actual amounts.

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.

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 prescribe 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, Air Pollution District, and 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 improved from the prior fiscal year and its ability to meet its financial commitments remained strong. Assets exceeded liabilities by \$15.1 million as of June 30, 2012 (\$9.2 million for governmental activities and \$5.9 million for business-type activities), and by \$15.6 million as of June 30, 2013 (\$8.6 million for governmental activities and \$7.0 million 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 below, present a summary of the City's Statements of Net Position as of June 30, 2012 and 2013.

Table A-1
Government-wide Net Position as of June 30, 2012 and 2013
Governmental Activities

| | <u>2012</u> | <u>2013</u> |
|-------------------------|-------------------|-------------------|
| Cash & investments | \$ 4,915,823 | \$ 4,123,985 |
| Capital assets | 4,321,324 | 4,086,182 |
| Other assets | 3,131,877 | 3,780,497 |
| Total assets | <u>12,369,024</u> | <u>11,990,664</u> |
| Current liabilities | 632,318 | 1,165,115 |
| Non-current liabilities | 2,490,022 | 2,215,534 |

| | | |
|----------------------------------|---------------------|---------------------|
| Total liabilities | <u>3,122,340</u> | <u>3,380,649</u> |
| Net investment in capital assets | 2,308,372 | 2,012,346 |
| Restricted | 4,528,631 | 4,087,019 |
| Unrestricted | 2,409,681 | 2,510,650 |
| Total net position | <u>\$ 9,246,684</u> | <u>\$ 8,610,015</u> |

Table A-2
Government-wide Net Position as of June 30, 2012 and 2013
Business-type Activities

| | <u>2012</u> | <u>2013</u> |
|----------------------------------|---------------------|---------------------|
| Cash & investments | \$ 8,906,981 | \$ 9,976,479 |
| Capital assets | 30,680,656 | 30,111,041 |
| Other assets | 829,182 | 1,113,670 |
| Total assets | <u>40,416,819</u> | <u>41,201,190</u> |
| Current liabilities | 906,857 | 1,089,496 |
| Non-current liabilities | 33,629,538 | 33,104,657 |
| Total liabilities | <u>34,536,395</u> | <u>34,194,153</u> |
| Net investment in capital assets | 1,556 | (488,623) |
| Restricted | 2,289,356 | 2,446,070 |
| Unrestricted | 3,589,512 | 5,049,590 |
| Total net position | <u>\$ 5,880,424</u> | <u>\$ 7,007,037</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, 2012 and 2013 in Tables B-1 and B-2 below.

Table B-1
Changes in Government-wide Net Position
For the Fiscal Years Ended June 30, 2012 and 2013
Governmental Activities

| | <u>2012</u> | <u>2013</u> |
|--------------------------------|--------------|-------------|
| <u>Expenses (by function):</u> | | |
| General government | \$ 1,105,539 | \$ 787,118 |
| Public safety | 3,371,428 | 3,249,421 |
| Streets | 839,484 | 2,580,926 |
| Protective inspections | 203,416 | 214,070 |
| Community services | 242,259 | 240,801 |
| Community development | 214,604 | 405,626 |

| | | |
|--|---------------------|---------------------|
| Debt service | 288,284 | 116,906 |
| Total expenses | <u>6,265,014</u> | <u>7,594,868</u> |
| <u>Program revenues (by major source):</u> | | |
| Charges for services | 822,503 | 289,305 |
| Operating grants and contributions | 799,904 | 994,075 |
| Capital grants and contributions | 155,084 | 1,736,845 |
| Total program revenues | <u>1,777,491</u> | <u>3,020,225</u> |
| <u>General revenues and transfers:</u> | | |
| Property taxes | 757,463 | 859,457 |
| Sales & use taxes | 1,161,677 | 1,162,834 |
| Transient lodging taxes | 391,546 | 379,119 |
| Franchise taxes | 49,988 | 24,493 |
| Business license taxes | 220,339 | 226,004 |
| Other taxes | 79,625 | 45,175 |
| Property tax in lieu of sales tax | 304,260 | 428,017 |
| Property tax in lieu of VLF | 1,407,887 | 1,362,579 |
| Investment earnings | 61,101 | 12,535 |
| Miscellaneous | 59,050 | 0 |
| Transfers | 5,000 | (562,239) |
| Total general revenues and transfers | <u>4,497,936</u> | <u>3,937,974</u> |
| Change in net position | 10,413 | (636,669) |
| Net position, beginning of year | <u>9,236,271</u> | <u>9,246,684</u> |
| Net position, end of year | <u>\$ 9,246,684</u> | <u>\$ 8,610,015</u> |

Table B-2
Changes in Government-wide Net Position
For the Fiscal Years Ended June 30, 2012 and 2013
Business-type Activities

| | <u>2012</u> | <u>2013</u> |
|--|------------------|------------------|
| <u>Expenses (by function):</u> | | |
| Airport | \$ 248,776 | \$ 236,959 |
| Water | 1,976,560 | 2,041,448 |
| Geothermal | 47,435 | 48,214 |
| Natural gas | 4,093,592 | 4,052,356 |
| Golf course | 442,571 | 429,898 |
| Total expenses | <u>6,808,934</u> | <u>6,808,875</u> |
| <u>Program revenues (by major source):</u> | | |
| Charges for services | 7,271,766 | 7,320,711 |

| | | |
|--|------------------------------|------------------------------|
| Operating grants and contributions | 0 | 38,574 |
| Capital grants and contributions | 154,941 | 99,685 |
| Total program revenues | <u>7,426,707</u> | <u>7,458,970</u> |
| <u>General revenues and transfers:</u> | | |
| Use of money and property | 21,743 | 18,103 |
| Miscellaneous | 276,346 | 0 |
| Transfers | (5,000) | 562,239 |
| Total general revenues and transfers | <u>293,089</u> | <u>580,342</u> |
| Change in net position | 910,862 | 1,230,437 |
| Net position, beginning of year, as restated | 4,969,562 | 5,776,600 |
| Net position, end of year | <u>\$ 5,880,424</u> ===== | <u>\$ 7,007,037</u> ===== |

The fiscal year 2012-13 annual budget was prepared and approved on time and became effective July 1, 2012. As with most cities in the State of California, we are dealing with reduced revenues from prior years. To balance the budget, the City used the prior year budget as a base with no additions and maintained minimum staffing levels. The City has been extremely fortunate that no employee benefit cuts or layoffs have been necessary to balance a budget. Prudent fiscal management by the City Council has allowed the City to escape many of the tribulations faced by other cities throughout the State of California.

At June 30, 2013, the total cash and investments for all funds increased by \$277,660 (from \$13,822,804 to \$14,100,462). The primary reasons for this increase are:

- The Natural Gas Fund cash and investments increased by \$1,022,854 (from \$3,989,627 to \$5,012,481). This increase is due mostly from lower costs for purchasing Natural Gas and the refinancing of the Natural Gas Bonds in August 2010 which allowed the City three years of low debt service payments to assist with setting aside the required cash to fund the Rate Stabilization Fund as required by the Bond Covenant. The City has met this requirement one year earlier than anticipated.
- General Fund cash and investments decreased by \$578,891 (from \$1,498,759 to \$919,868) during fiscal year 2012-13. This decrease in cash is primarily due to transfers from the General Fund to the Golf Course and Airport enterprise funds of \$244,886 and 322,353, respectively.

Streets expenditures increased by \$1,741,442 (from \$839,484 for fiscal year 2011-12 to \$2,580,926 for fiscal year 2012-13) and capital grants and contributions revenue increased by \$1,581,761 (from \$155,084 to \$1,736,845) per Table B-1. These increases are due primarily to a \$2.4 million project awarded from the State Transportation Improvement Program, of which a portion was used in fiscal year 2012-13.

At June 30, 2012, the City restated the carrying value of certain golf course capital assets by \$103,824 as described in Note 17 of the Notes to the Basic Financial Statements.

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 2012-13:

General Fund

The General Fund ended fiscal year 2012-13 with a small decrease in fund balance of \$3,212 (from \$2,151,222 to \$2,148,010) compared to the prior year. This decrease represented an improvement over fiscal year 2011-12 operating results when there was a \$91,518 decline in fund balance. This improvement in operating results was primarily due to a reduction of transfers out of the General Fund to subsidize other funds. During fiscal year 2011-12, transfers out totaled \$993,137 whereas during fiscal year 2012-13, transfers totaled \$775,416.

For the year, General Fund total revenues exceeded total expenditures (excluding transfers) by \$767,204, as compared to \$836,619 for fiscal year 2011-12.

Total General Fund revenues decreased from the prior year by \$150,424 (from \$5,211,811 to \$5,061,387). This decrease is primarily due to the receipt of \$489,000 of retroactive dividends from the City's risk pool during fiscal year 2011-12; no dividends were received during fiscal year 2012-13. This decrease was offset by increases of \$149,764 in taxes and assessments and \$192,492 in intergovernmental revenue.

Compared to prior year, the General Fund expenditures decreased by \$81,009 (from \$4,375,192 to \$4,294,183). The decrease is primarily caused by decreases in General Government expenditures of \$56,886 and Public Safety expenditures of \$35,139. This decrease resulted primarily from salary savings for positions unfilled for part of the fiscal year.

State Revolving Loan Special Revenue Fund

This fund accounts for grant revenue received from Community Development Block Grants, as well as loans given to qualified citizens for the rehabilitation of homes and related repayments. Loan repayments are used to issue new loans for this purpose. For fiscal year 2012-13, this fund incurred expenditures of \$102,229 against revenues of \$11,709. Fund balance at the end of the year was \$434,382.

Home Revolving Loan Special Revenue Fund

This fund accounts for loans and related collections for the Facade Improvement, Business Assistance, and First-Time Home Buyers loan programs. Loan repayments are used for the issuance of new loans for these purposes. For fiscal year 2012-13, this

fund had revenues of \$23,386 and no expenditures. Fund balance at the end of the year was \$190,535.

STIP Capital Rehabilitation Capital Project Fund

This fund accounts for expenditures of the 2012 Susanville Rehabilitation B Project funded through the State Transportation Improvement Program. During fiscal year 2012-13, the fund received revenue from the State of \$1,495,408, which was \$930,592 less than was budgeted. Total expenditures were \$1,974,071, which was \$451,929 less than was budgeted, leaving a negative fund balance of \$478,505. This negative fund balance is expected to be funded when the remaining grant proceeds are received from the State.

Mark Roos 92B Debt Service Fund

This fund accounts for assessments collected from property owners within the Miller/Fletcher Housing Development that are used to repay the bond issued in 1992 to install infrastructure within this development. *For fiscal year 2012-13, this fund received taxes and assessments of \$11,282. This amount was \$138,787 less than the budgeted amount. The budget to actual comparison will show only \$11,282 of assessments being collected due to the revenue line item being reduced by the amount of the principal payment to allow the reduction in investments in bonds on the balance sheet.* Expenditures for the year were \$148,802, which was \$1,267 less than budget. The fund balance at the end of the year was \$962,865.

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 2012-13:

Water Enterprise Fund

At June 30, 2013, the Water Fund shows an increase in net position of \$297,945 (from \$2,492,783 to \$2,791,728). Total assets increased by \$48,551 due primarily to an increase in capital assets of \$186,912, offset by a decline in accounts receivable of \$95,065. The increase in capital assets relates to spending to replace water meters throughout the City with remote electronic meters. Total liabilities decreased by \$250,394 due principally to scheduled repayment of revenue bonds.

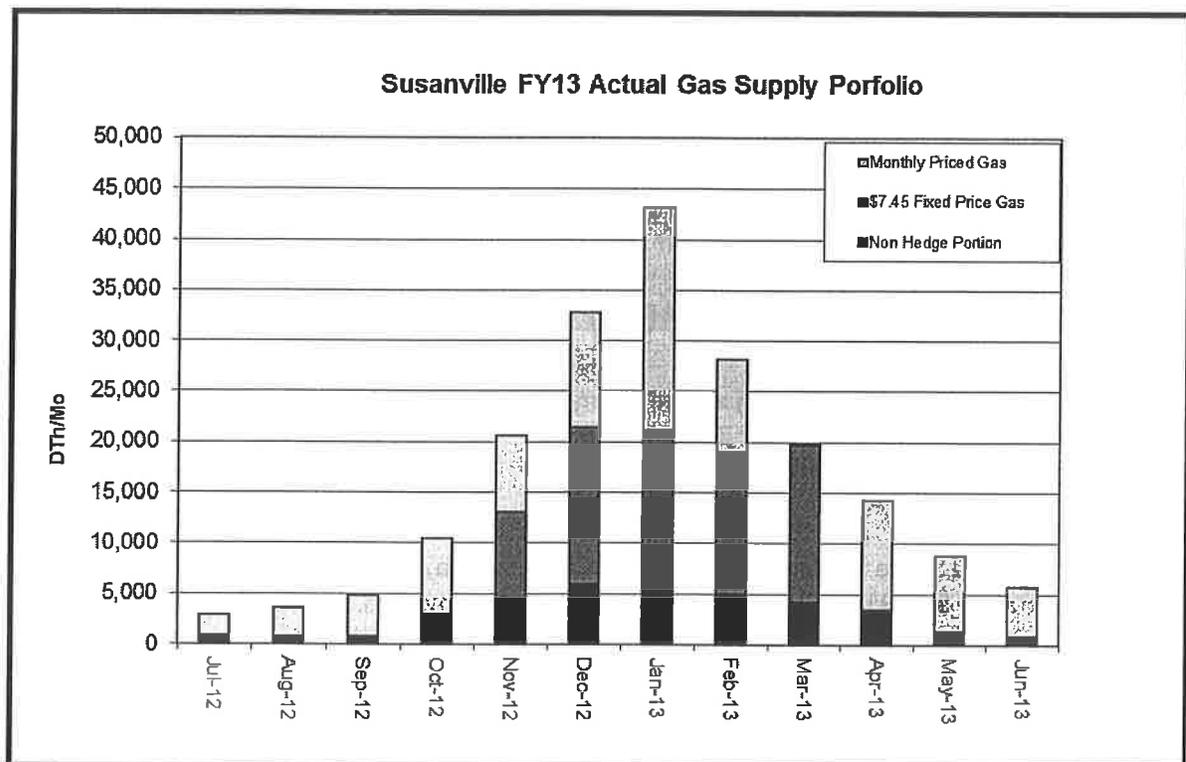
There were approximately 3,800 water customer accounts at June 30, 2012 and June 30, 2013.

Natural Gas Enterprise Fund

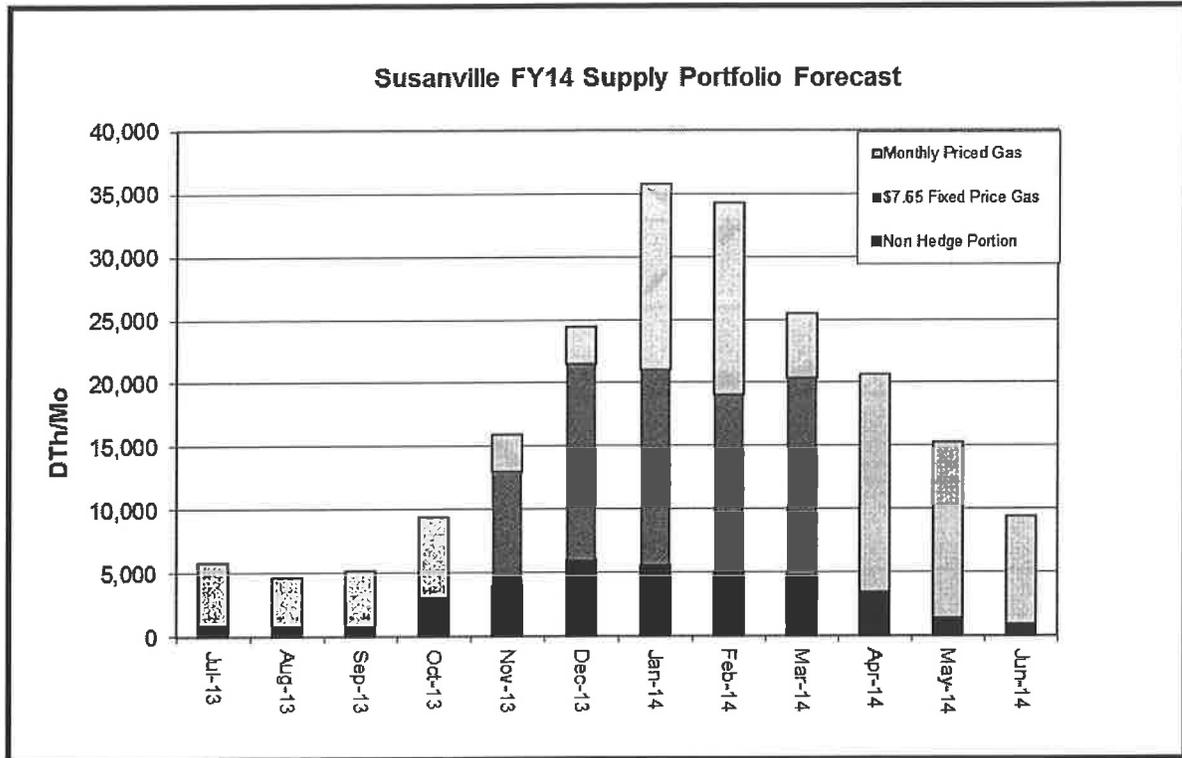
The Natural Gas system reduced its net position deficit by \$554,470 during fiscal year 2012-13 (from negative \$747,944 to negative \$193,474). This reduction was largely due to an increase in total assets of \$446,514. This was, in turn, due to an increase in cash of \$1,022,854 as explained on page 9, combined with a decrease in total liabilities of \$107,956. Liabilities decreased due principally to scheduled repayment of revenue bonds.

Because the cost of natural gas remained below its main competitors (propane, heating oil and electricity), the City was able to keep its price low and continue to add new customers to the system. The number of natural gas accounts increased from 2,785 at June 30, 2012 to 2,846 at June 30, 2013 equivalent to approximately 2% increase.

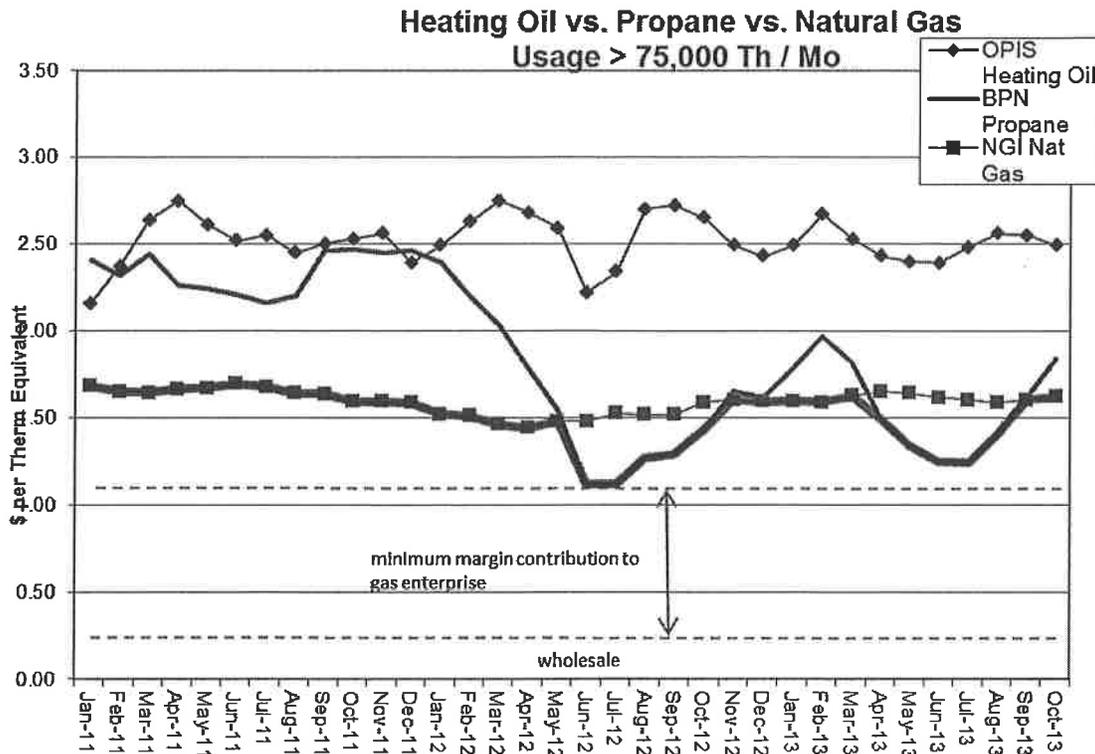
The gas purchased in FY 2012-13 was as follows:



The cost of natural gas in the open market has continued to decrease allowing the City to make critical purchases for the following year. As the gas is purchased in the market approximately a year in advance, the City has already secured its fiscal year 2013-14 supply portfolio as follows:



Historically, the cost of natural gas has been lower than its competition (propane, electricity, kerosene and heating oil). This year, the cost of natural gas has been consistently lower than its competition allowing our system to continue to grow.



During fiscal year 2012-13, 61 new customers were added to the system, bringing the total to 2,846. These new customers required an estimated 25,200 additional gas therms.

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 acts as an advisor to the City Administrator in the periodic task of purchasing gas in the open market.

Airport Enterprise Fund

Consistent with prior years, the operating revenues of the Airport remained insufficient to pay for operating expenses. The operating loss of the Airport was \$157,861 for fiscal year 2012-13, an improvement from a loss of \$323,242 for fiscal year 2011-12. The net position of the Airport Fund increased by \$202,658 to \$1,897,428 due primarily to a transfer of \$322,353 from the General Fund.

Golf Course Enterprise Fund

Consistent with prior years, the operating revenues of the Golf Course remained insufficient to pay for operating expenses. The net position of the Golf Course

increased by \$129,358 due an operating loss of \$100,821 offset by a transfer in of \$244,886 from the General Fund. This operating loss represents a \$73,708 improvement from the \$174,529 operating loss for fiscal year 2011-12. The City began operating the golf course in fiscal year 2010-11. At June 30, 2012, the City restated the carrying value of certain golf course capital assets by \$103,824 as described in Note 17 of the Notes to the Basic Financial Statements.

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 | \$4,639,966 | \$4,987,665 | \$ 347,699 | \$5,040,103 | \$ 52,438 |
| Expenditures | (4,398,714) | (4,751,483) | (352,769) | (4,294,183) | 457,300 |
| Other financing sources and (uses): | | | | | |
| Transfers in | 5,000 | 5,000 | 0 | 5,000 | 0 |
| Transfers out | (208,179) | (775,419) | (567,240) | (775,416) | 3 |
| Net change in fund balance | <u>\$38,073</u> | <u>\$(534,237)</u> | <u>\$(572,310)</u> | <u>\$(24,496)</u> | <u>\$509,741</u> |

After the original 2012-13 budget was adopted, the City Council approved several budget amendments. Changes were as follows:

| | | <i>Increases (Decreases)</i> |
|--------------|--------------------|---|
| Revenues | \$ 1,000 | Increase for BLM Grant Resolution 12-4849 |
| | 100,000 | Increase for Resolution 12-4884 Out-of-Area Fires revenue |
| | (3,072) | Decrease In-Lieu of Vehicle License Fee |
| | 125,197 | Increase for higher Property Tax In-Lieu of Sales Tax |
| | 85,000 | Increase Out-of-Area Fires revenue |
| | 47,565 | Increase various revenue projections |
| | <u>355,690</u> | Net Increase in Revenues |
| Expenditures | 10,000 | Increase for BLM Grant Resolution 12-4849 |
| | 4,232 | Increase for open PO #374 |
| | 100,000 | Increase for Resolution 12-4884 Out of Area Fires |
| | 13,000 | Increase for Resolution 12-4897 Memorial Park CIP project |
| | 73,340 | Increase for Public Safety repair and maintenance |
| | 160,188 | Increase for new allocation formulas |
| | 244,887 | Increase for Res 12-4928 transfer from Gen. Fund to Golf Course |
| | 322,353 | Increase for Res 12-4928 transfer from Gen. Fund to Airport |
| | <u>928,000</u> | Net Increase in Expenditures |
| | <u>\$(572,310)</u> | Net Change in Budget |

As of June 30, 2013, total General Fund actual revenues were \$5,040,103 or \$52,438 more than budgeted. This variance is primarily due to an increase in property tax revenue.

Actual expenditures were \$4,294,183 or \$457,300 less than budgeted. This was due mainly from salary savings from unfilled vacant positions.

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 includes 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.

The City's primary capital project is the water meter replacement project. This project is to replace all the manual-read water meters with electronic meters that can be read remotely from a passing vehicle. This project is expected to cost approximately \$1.2 million and be completed in fiscal year 2014-15. During fiscal year 2012-13, the Water Fund spent \$632,204 on this project.

Long-term Debt Activity

The principal amount of the City's outstanding debt at June 30, 2013 was as follows:

| | | |
|------------------------------|--------------|---|
| 2010 Refunding Revenue Bonds | \$33,900,000 | Secured by natural gas and water revenues |
| Miller Fletcher Bonds | 605,000 | Secured by property assessments |

| | | |
|-------------------------------------|-----------|---|
| City Hall Bonds | 1,541,339 | Secured by 2012 lease financing agreement with Compass Bank |
| U.S. Department of Agriculture Note | 870,000 | Secured by Water Fund infrastructure |

Scheduled principal repayments of \$479,216 were made during fiscal year 2012-13. All debt service principal and interest payments are current.

SUMMARY OF KNOWN FACTS, DECISIONS AND CONDITIONS

In May, 2013, the City Council adopted Resolution No. 13-4947 authorizing the City to incur a loan to pay off the City's \$4.9 million side fund obligation with CalPERS. This side fund was created when the City was placed into a risk pool with other small cities and contracted for the 3% @ 60/50 formulas for Miscellaneous and Public Safety members.

As many other cities in California, the City of Susanville's ability to provide services to the public is affected by balancing our budget with hiring constraints to offset flat or declining revenues. So far, the City has done an excellent job in maintaining services to the public despite inevitable cost increases. Due to the limitations imposed on California cities by Proposition 13 and 218 in generating new revenues, the City continues to look for ways alternate revenue sources.

The City Council adopted a balanced budget for fiscal year 2013-14 on July 1, 2013. The budget reflects Council priorities and maintains the same level of services provided in fiscal year 2012-13. The General Fund expenditures budget for fiscal year 2013-14 is \$540,655 or 9.8% less than the prior fiscal year. The reduction (from \$5,526,902 in fiscal year 2012-13 to \$4,986,247 in fiscal year 2013-14) reflects reduced cash transfers to other funds and reduced personnel costs. The reduction in personnel-related costs was achieved by the early retirement of several senior staff allowing the City to fill the vacancies at a lower salary rate. General revenues are projected to remain low due to the economy for at least another year or two.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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**BASIC
FINANCIAL STATEMENTS**

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Susanville
Statement of Net Position
June 30, 2013

| | Primary Government | | |
|---|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 3,371,712 | \$ 7,530,409 | \$ 10,902,121 |
| Investments in bonds with fiscal agent | 600,000 | - | 600,000 |
| Accounts receivable | 1,903,755 | 679,095 | 2,582,850 |
| Internal balances | 465,281 | (465,281) | - |
| Interest receivable | 2,734 | 5,063 | 7,797 |
| Prepaid expenses | 21,781 | 5,079 | 26,860 |
| Inventory | 60,684 | 165,243 | 225,927 |
| Deposits | - | 75,000 | 75,000 |
| Total current assets | 6,425,947 | 7,994,608 | 14,420,555 |
| Noncurrent assets: | | | |
| Loans receivable | 1,245,949 | - | 1,245,949 |
| Restricted cash and investments with fiscal agents | 152,273 | 2,446,070 | 2,598,343 |
| Bond issuance costs - net of accumulated amortization | 80,313 | 649,471 | 729,784 |
| Capital assets: | | | |
| Non-depreciable | 3,230,764 | 3,560,423 | 6,791,187 |
| Depreciable, net | 855,418 | 26,550,618 | 27,406,036 |
| Total capital assets | 4,086,182 | 30,111,041 | 34,197,223 |
| Total noncurrent assets | 5,564,717 | 33,206,582 | 38,771,299 |
| Total assets | 11,990,664 | 41,201,190 | 53,191,854 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 692,481 | 174,528 | 867,009 |
| Accrued wages | 76,951 | 21,648 | 98,599 |
| Accrued interest | 34,388 | 158,778 | 193,166 |
| Deposits payable | 72,798 | 180,922 | 253,720 |
| Unearned revenue | 14,832 | 52,100 | 66,932 |
| Capital lease payable | - | 18,297 | 18,297 |
| Early retirement incentive - due within one year | 44,640 | - | 44,640 |
| Sick leave conversion payable - due within one year | 11,452 | - | 11,452 |
| Compensated absences - due within one year | 29,206 | 9,223 | 38,429 |
| Notes payable - due within one year | - | 14,000 | 14,000 |
| Revenue bonds payable - due within one year | 188,367 | 460,000 | 648,367 |
| Total current liabilities | 1,165,115 | 1,089,496 | 2,254,611 |
| Noncurrent liabilities: | | | |
| Early retirement incentive - due in more than one year | 128,340 | - | 128,340 |
| Sick leave conversion payable - due in more than one year | 23,836 | - | 23,836 |
| Compensated absences - due in more than one year | 177,889 | 58,923 | 236,812 |
| Notes payable - due in more than one year | - | 856,000 | 856,000 |
| Revenue bonds payable - due in more than one year | 1,885,469 | 32,189,734 | 34,075,203 |
| Total noncurrent liabilities | 2,215,534 | 33,104,657 | 35,320,191 |
| Total liabilities | 3,380,649 | 34,194,153 | 37,574,802 |
| NET POSITION | | | |
| Net investment in capital assets | 2,012,346 | (488,623) | 1,523,723 |
| Restricted for: | 4,087,019 | 2,446,070 | 6,533,089 |
| Unrestricted | 2,510,650 | 5,049,590 | 7,560,240 |
| Total net position | \$ 8,610,015 | \$ 7,007,037 | \$ 15,617,052 |

See accompanying Notes to Basic Financial Statements.

City of Susanville
Statement of Activities
For the year ended June 30, 2013

| Functions/Programs | Expenses | Program Revenues | | | Total |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary Government: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 787,118 | \$ 12,830 | \$ 181,798 | \$ - | \$ 194,628 |
| Public safety | 3,249,421 | 68,428 | 375,206 | - | 443,634 |
| Streets | 2,580,926 | 436 | 437,071 | 1,736,845 | 2,174,352 |
| Protective inspections | 214,070 | 75,200 | - | - | 75,200 |
| Community services | 240,801 | 99,123 | - | - | 99,123 |
| Community development | 405,626 | 33,288 | - | - | 33,288 |
| Interest on long-term debt | 116,906 | - | - | - | - |
| Total governmental activities | 7,594,868 | 289,305 | 994,075 | 1,736,845 | 3,020,225 |
| Business-type activities: | | | | | |
| Airport | 236,959 | 78,488 | 38,574 | - | 117,062 |
| Water | 2,041,448 | 2,335,499 | - | 99,685 | 2,435,184 |
| Natural gas | 4,052,356 | 4,499,718 | - | - | 4,499,718 |
| Golf course | 429,898 | 314,274 | - | - | 314,274 |
| Geothermal | 48,214 | 92,732 | - | - | 92,732 |
| Total business-type activities | 6,808,875 | 7,320,711 | 38,574 | 99,685 | 7,458,970 |
| Total primary government | \$ 14,403,743 | \$ 7,610,016 | \$ 1,032,649 | \$ 1,836,530 | \$ 10,479,195 |

General Revenues:

Taxes:

- Secured and unsecured property taxes
- Sales and use taxes
- Transient lodging taxes
- Franchise taxes
- Business license taxes
- Other taxes
- Property tax in lieu of sales tax, unrestricted
- Property tax in lieu of VLF, unrestricted
- Investment earnings, unrestricted

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as restated (Note 17)

Net position - end of year

See accompanying Notes to Basic Financial Statements.

| Net (Expense) Revenue and Changes in Net Position | | |
|--|-----------------------------|----------------------|
| Governmental Activities | Business-Type Activities | Total |
| \$ (592,490) | \$ - | \$ (592,490) |
| (2,805,787) | - | (2,805,787) |
| (406,574) | - | (406,574) |
| (138,870) | - | (138,870) |
| (141,678) | - | (141,678) |
| (372,338) | - | (372,338) |
| (116,906) | - | (116,906) |
| <u>(4,574,643)</u> | <u>-</u> | <u>(4,574,643)</u> |
| - | (119,897) | (119,897) |
| - | 393,736 | 393,736 |
| - | 447,362 | 447,362 |
| - | (115,624) | (115,624) |
| - | 44,518 | 44,518 |
| - | 650,095 | 650,095 |
| <u>(4,574,643)</u> | <u>650,095</u> | <u>(3,924,548)</u> |
| 859,457 | - | 859,457 |
| 1,162,834 | - | 1,162,834 |
| 379,119 | - | 379,119 |
| 24,493 | - | 24,493 |
| 226,004 | - | 226,004 |
| 45,175 | - | 45,175 |
| 428,017 | - | 428,017 |
| 1,362,579 | - | 1,362,579 |
| 12,535 | 18,103 | 30,638 |
| <u>(562,239)</u> | <u>562,239</u> | <u>-</u> |
| <u>3,937,974</u> | <u>580,342</u> | <u>4,518,316</u> |
| (636,669) | 1,230,437 | 593,768 |
| <u>9,246,684</u> | <u>5,776,600</u> | <u>15,023,284</u> |
| <u>\$ 8,610,015</u> | <u>\$ 7,007,037</u> | <u>\$ 15,617,052</u> |

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Funds Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

State Revolving Loan Special Revenue Fund accounts for program income received from Community Development Block Grant loans given for Housing Rehabilitation that is then re-issued in the form of new loans.

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

STIP Capital Rehab Capital Project Fund accounts for expenditures of the 2012 Susanville Rehabilitation B Project funded through the State Transportation Improvement Program (STIP).

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

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

City of Susanville
Balance Sheet
Governmental Funds
June 30, 2013

| | General Fund | State Revolving Loan Special Revenue Fund | HOME Revolving Loan Special Revenue Fund | STIP Rehab Capital Project Fund |
|---|---------------------|---|--|---------------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 919,868 | \$ 186,497 | \$ 190,403 | \$ - |
| Restricted cash and investments held by fiscal agents | - | - | - | - |
| Investment in bonds | - | - | - | - |
| Accounts receivable | 294,986 | 208 | - | 1,374,773 |
| Interest receivable | 1,640 | 129 | 132 | - |
| Prepaid expenditures | 17,191 | - | - | - |
| Inventory | 45,070 | - | - | - |
| Due from other funds | 1,222,163 | - | - | - |
| Loans receivable | 70,834 | 564,518 | 556,262 | - |
| Advances to other funds | 224,150 | 247,549 | - | - |
| Total assets | \$ 2,795,902 | \$ 998,901 | \$ 746,797 | \$ 1,374,773 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 47,771 | \$ - | \$ - | \$ 634,772 |
| Accrued wages | 60,286 | - | - | 2,196 |
| Deposits payable | 72,798 | - | - | - |
| Unearned and unavailable revenue | 85,665 | 564,519 | 556,262 | - |
| Due to other funds | - | - | - | 1,216,468 |
| Advances from other funds | 381,372 | - | - | - |
| Total liabilities | 647,892 | 564,519 | 556,262 | 1,853,436 |
| Fund Balances: | | | | |
| Nonspendable | 286,411 | - | - | - |
| Restricted | - | 434,382 | 190,535 | - |
| Assigned | 14,766 | - | - | - |
| Unassigned | 1,846,833 | - | - | (478,663) |
| Total fund balances | 2,148,010 | 434,382 | 190,535 | (478,663) |
| Total liabilities and fund balances | \$ 2,795,902 | \$ 998,901 | \$ 746,797 | \$ 1,374,773 |

See accompanying Notes to Basic Financial Statements.

| Mark Roos 92B Debt Service Fund | Other Governmental Funds | Totals |
|---------------------------------------|--------------------------------|---------------------|
| \$ 209,850 | \$ 1,361,725 | \$ 2,868,343 |
| 152,273 | - | 152,273 |
| 600,000 | - | 600,000 |
| - | 45,558 | 1,715,525 |
| - | 547 | 2,448 |
| 742 | - | 17,933 |
| - | 15,614 | 60,684 |
| - | - | 1,222,163 |
| - | 54,335 | 1,245,949 |
| - | 133,823 | 605,522 |
| <u>\$ 962,865</u> | <u>\$ 1,611,602</u> | <u>\$ 8,490,840</u> |

| | | |
|------|---------------|------------------|
| \$ - | \$ 6,848 | 689,391 |
| - | 6,653 | 69,135 |
| - | - | 72,798 |
| - | 54,335 | 1,260,781 |
| - | - | 1,216,468 |
| - | - | 381,372 |
| - | <u>67,836</u> | <u>3,689,945</u> |

| | | |
|-------------------|---------------------|---------------------|
| 742 | - | 287,153 |
| 962,123 | 1,543,766 | 3,130,806 |
| - | - | 14,766 |
| - | - | 1,368,170 |
| <u>962,865</u> | <u>1,543,766</u> | <u>4,800,895</u> |
| <u>\$ 962,865</u> | <u>\$ 1,611,602</u> | <u>\$ 8,490,840</u> |

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City of Susanville
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2013

Total Fund Balances - Total Governmental Funds **\$ 4,800,895**

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

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

| | | |
|-----------------------------|----|------------------|
| Non-depreciable | \$ | 3,230,764 |
| Depreciable, net | | 855,418 |
| Total capital assets | | 4,086,182 |

Unavailable revenue recorded in the fund financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the Government-Wide Financial Statements. 1,245,949

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet. (34,388)

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position. 683,314

Costs related to the issuance of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt. 80,313

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

| | Government- Wide Statement of Net Position | Internal Service Funds | Total |
|---|--|---------------------------|--------------------|
| Early retirement incentive - due within one year | \$ (44,640) | \$ 44,640 | - |
| Sick leave conversion payable - due within one year | (11,452) | 11,452 | - |
| Compensated absences - due within one year | (29,206) | 3,942 | (25,264) |
| Early retirement incentive - due in more than one year | (128,340) | 128,340 | - |
| Sick leave conversion payable - due in more than one year | (23,836) | 23,836 | - |
| Compensated absences - due in more than one year | (177,889) | 24,739 | (153,150) |
| Bonds payable - due within one year | (188,367) | - | (188,367) |
| Bonds payable - due in more than one year | (1,885,469) | - | (1,885,469) |
| Total long-term liabilities | \$ (2,489,199) | \$ 236,949 | (2,252,250) |

Net Position of Governmental Activities **\$ 8,610,015**

See accompanying Notes to Basic Financial Statements.

City of Susanville
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2013

| | General Fund | State Revolving Loan Special Revenue Fund | HOME Revolving Loan Special Revenue Fund | STIP Rehab Capital Project Fund |
|---|---------------------|---|--|---------------------------------------|
| REVENUES: | | | | |
| Taxes and assessments | \$ 4,487,678 | \$ - | \$ - | \$ - |
| Licenses and permits | 74,183 | - | - | - |
| Fines and forfeitures | 20,670 | - | - | - |
| Use of money and property | 25,011 | 468 | 402 | - |
| Intergovernmental revenues | 369,527 | - | - | 1,495,408 |
| Program income | 5,000 | 11,241 | 22,984 | - |
| Charges for services | 66,244 | - | - | - |
| Other revenues | 13,074 | - | - | - |
| Total revenues | 5,061,387 | 11,709 | 23,386 | 1,495,408 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 605,024 | - | - | - |
| Public safety | 3,132,888 | - | - | - |
| Streets | - | - | - | 1,974,071 |
| Protective inspections | 218,394 | - | - | - |
| Community services | 185,481 | - | - | - |
| Community development | 127,407 | 102,229 | - | - |
| Capital outlay | 24,989 | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | 4,294,183 | 102,229 | - | 1,974,071 |
| REVENUES OVER (UNDER) EXPENDITURES | 767,204 | (90,520) | 23,386 | (478,663) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 5,000 | - | - | - |
| Transfers out | (775,416) | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - |
| Total other financing sources (uses) | (770,416) | - | - | - |
| Net change in fund balances | (3,212) | (90,520) | 23,386 | (478,663) |
| FUND BALANCES: | | | | |
| Beginning of year | 2,151,222 | 524,902 | 167,149 | - |
| End of year | \$ 2,148,010 | \$ 434,382 | \$ 190,535 | \$ (478,663) |

See accompanying Notes to Basic Financial Statements.

| Mark Roos 92B Debt Service Fund | Other Governmental Funds | Totals |
|---------------------------------------|--------------------------------|---------------------|
| \$ 11,282 | \$ - | \$ 4,498,960 |
| - | - | 74,183 |
| - | 10,533 | 31,203 |
| 15 | 1,608 | 27,504 |
| - | 857,933 | 2,722,868 |
| - | 11,175 | 50,400 |
| - | - | 66,244 |
| - | 30,196 | 43,270 |
| <u>11,297</u> | <u>911,445</u> | <u>7,514,632</u> |
| - | - | 605,024 |
| - | 114,233 | 3,247,121 |
| - | 689,781 | 2,663,852 |
| - | - | 218,394 |
| - | - | 185,481 |
| - | 81,892 | 311,528 |
| - | 58,218 | 83,207 |
| 95,000 | 40,216 | 135,216 |
| 53,802 | 40,308 | 94,110 |
| <u>148,802</u> | <u>1,024,648</u> | <u>7,543,933</u> |
| <u>(137,505)</u> | <u>(113,203)</u> | <u>(29,301)</u> |
| - | 163,537 | 168,537 |
| - | - | (775,416) |
| - | 16,356 | 16,356 |
| - | 179,893 | (590,523) |
| <u>(137,505)</u> | <u>66,690</u> | <u>(619,824)</u> |
| <u>1,100,370</u> | <u>1,477,076</u> | <u>5,420,719</u> |
| <u>\$ 962,865</u> | <u>\$ 1,543,766</u> | <u>\$ 4,800,895</u> |

City of Susanville

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities For the year ended June 30, 2013

| | |
|--|----------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ (619,824) |
| Amounts reported for governmental activities in the Statement of Activities were different because: | |
| Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period. | 105,564 |
| Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds. | (340,706) |
| Accrued compensated leave payable was an expenditure in governmental funds, but the accrued payable increased compensated leave liabilities in the Government-Wide Statement of Net Position. | (24,238) |
| Bond proceeds provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position. | 135,216 |
| Long-term debt repayments | (101,921) |
| Note and loan revenues that did not meet the revenue recognition criteria in the governmental funds but were recognized as revenue in the Government-Wide Financial Statements. | (5,669) |
| Cost of issuance of bonds was an expenditure in governmental funds, but in the Government-Wide Statement of Net Position, an asset was recorded and is being amortized over the life of the bond. | (5,179) |
| Long-term debt premium and discount was recorded as an other financing source or (use) in the governmental funds, but the payment was treated as an increase(decrease) in long-term liabilities and will be amortized over the life of the bonds in the Government-Wide Statement of Net Position. | (11,948) |
| Interest expense on long-term debt is reported on the accrual basis on the Government-Wide Statements, but expenditures on long-term debt in the governmental funds statements are recorded when paid. The following amount represents the change in accrued interest from the prior year. | 232,036 |
| Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities. | <u>232,036</u> |
| Change in Net Position of Governmental Activities | \$ <u>(636,669)</u> |

See accompanying Notes to Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

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

Golf Course Fund accounts for the City's golf course

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

City of Susanville
Statement of Net Assets
Proprietary Funds
June 30, 2013

| | Major Enterprise Funds | | | |
|---|------------------------|---------------------|---------------------|---------------------|
| | Airport Fund | Water Fund | Natural Gas Fund | Golf Course Fund |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ - | \$ 4,034,025 | \$ 3,205,247 | \$ 51,302 |
| Accounts receivable | 39,772 | 372,519 | 255,378 | 4,879 |
| Interest receivable | - | 2,779 | 2,074 | 42 |
| Prepaid expenses | - | 2,265 | 1,538 | 76 |
| Inventory | - | 117,578 | 43,738 | 3,927 |
| Deposits | - | - | 75,000 | - |
| Total current assets | 39,772 | 4,529,166 | 3,582,975 | 60,226 |
| Noncurrent assets: | | | | |
| Cash and investments with fiscal agents | - | 638,836 | 1,807,234 | - |
| Bond issuance costs, net of accumulated amortization | - | 215,173 | 434,298 | - |
| Advances to other funds | - | - | - | - |
| Capital assets: | | | | |
| Non-depreciable, net | 74,548 | 1,068,644 | - | 2,168,107 |
| Depreciable, net | 1,826,476 | 5,344,964 | 19,041,557 | 333,270 |
| Total capital assets | 1,901,024 | 6,413,608 | 19,041,557 | 2,501,377 |
| Total noncurrent assets | 1,901,024 | 7,267,617 | 21,283,089 | 2,501,377 |
| Total assets | 1,940,796 | 11,796,783 | 24,866,064 | 2,561,603 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 32,673 | 20,596 | 99,070 | 22,078 |
| Accrued wages | - | 7,667 | 9,680 | 4,301 |
| Due to other funds | 5,695 | - | - | - |
| Accrued interest | - | 40,842 | 117,936 | - |
| Deposits payable | - | 60,226 | 120,696 | - |
| Unearned revenue | 5,000 | - | - | 47,100 |
| Capital lease payable | - | - | - | 18,297 |
| Early retirement incentive - due in more than one year | - | - | - | - |
| Sick leave conversion payable - due in more than one year | - | - | - | - |
| Compensated absences - due in more than one year | - | 4,612 | 4,611 | - |
| Notes payable - due within one year | - | 14,000 | - | - |
| Revenue bonds payable - due within one year | - | 255,000 | 205,000 | - |
| Total current liabilities | 43,368 | 402,943 | 556,993 | 91,776 |
| Noncurrent liabilities: | | | | |
| Advances from other funds | - | - | - | 459,586 |
| Early retirement incentive - due in more than one year | - | - | - | - |
| Sick leave conversion payable - due in more than one year | - | - | - | - |
| Compensated absences - due in more than one year | - | 33,243 | 25,680 | - |
| Notes payable - due in more than one year | - | 856,000 | - | - |
| Revenue bonds payable - due in more than one year | - | 7,712,869 | 24,476,865 | - |
| Total noncurrent liabilities | - | 8,602,112 | 24,502,545 | 459,586 |
| Total liabilities | 43,368 | 9,005,055 | 25,059,538 | 551,362 |
| NET POSITION | | | | |
| Net investment in capital assets | 1,901,024 | (1,516,425) | (3,628,074) | 2,501,377 |
| Restricted for debt service | - | 638,836 | 1,807,234 | - |
| Unrestricted | (3,596) | 3,669,317 | 1,627,366 | (491,136) |
| Total net position | \$ 1,897,428 | \$ 2,791,728 | \$ (193,474) | \$ 2,010,241 |

See accompanying Notes to Basic Financial Statements.

| Non-Major Enterprise Fund | | Governmental Activities | |
|------------------------------|---------------------|----------------------------|--|
| Geothermal Fund | Totals | Internal Service Funds | |
| \$ 239,835 | \$ 7,530,409 | \$ 503,369 | |
| 6,547 | 679,095 | 188,230 | |
| 168 | 5,063 | 286 | |
| 1,200 | 5,079 | 3,848 | |
| - | 165,243 | - | |
| - | 75,000 | - | |
| <u>247,750</u> | <u>8,459,889</u> | <u>695,733</u> | |
| - | 2,446,070 | - | |
| - | 649,471 | - | |
| - | - | 235,436 | |
| 249,124 | 3,560,423 | - | |
| 4,351 | 26,550,618 | - | |
| <u>253,475</u> | <u>30,111,041</u> | <u>-</u> | |
| <u>253,475</u> | <u>33,206,582</u> | <u>235,436</u> | |
| <u>501,225</u> | <u>41,666,471</u> | <u>931,169</u> | |
| 111 | 174,528 | 3,090 | |
| - | 21,648 | 7,816 | |
| - | 5,695 | - | |
| - | 158,778 | - | |
| - | 180,922 | - | |
| - | 52,100 | - | |
| - | 18,297 | - | |
| - | - | 44,640 | |
| - | - | 11,452 | |
| - | 9,223 | 3,942 | |
| - | 14,000 | - | |
| - | 460,000 | - | |
| <u>111</u> | <u>1,095,191</u> | <u>70,940</u> | |
| - | 459,586 | - | |
| - | - | 128,340 | |
| - | - | 23,836 | |
| - | 58,923 | 24,739 | |
| - | 856,000 | - | |
| - | 32,189,734 | - | |
| - | 33,564,243 | 176,915 | |
| <u>111</u> | <u>34,659,434</u> | <u>247,855</u> | |
| 253,475 | (488,623) | - | |
| - | 2,446,070 | - | |
| 247,639 | 5,049,590 | 683,314 | |
| <u>\$ 501,114</u> | <u>\$ 7,007,037</u> | <u>\$ 683,314</u> | |

City of Susanville
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2013

| | Major Enterprise Funds | | | |
|---|------------------------|------------------|--------------------|------------------|
| | Airport Fund | Water Fund | Natural Gas Fund | Golf Course Fund |
| OPERATING REVENUES: | | | | |
| Sales and charges for services | \$ 78,488 | \$ 2,333,534 | \$ 4,499,459 | \$ 313,980 |
| Total operating revenues | 78,488 | 2,333,534 | 4,499,459 | 313,980 |
| OPERATING EXPENSES: | | | | |
| Direct: | | | | |
| Purchase of natural gas | - | - | 1,086,251 | - |
| Administration | 60,256 | 1,024,510 | 936,793 | 316,886 |
| Insurance costs and claims | - | - | - | - |
| Depreciation and amortization | 150,393 | 380,925 | 413,406 | 89,325 |
| Total direct operating expenses | 210,649 | 1,405,435 | 2,436,450 | 406,211 |
| Indirect: | | | | |
| Overhead allocation | 25,700 | 216,909 | 198,956 | 8,590 |
| Total indirect operating expenses | 25,700 | 216,909 | 198,956 | 8,590 |
| Total operating expenses | 236,349 | 1,622,344 | 2,635,406 | 414,801 |
| OPERATING INCOME (LOSS): | (157,861) | 711,190 | 1,864,053 | (100,821) |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Interest income | 202 | 9,894 | 7,423 | 96 |
| Interest expense and fiscal charges | (610) | (419,104) | (1,416,950) | (15,097) |
| Reimbursements | - | 1,965 | 259 | 294 |
| Total nonoperating revenues (expenses) | (408) | (407,245) | (1,409,268) | (14,707) |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | (158,269) | 303,945 | 454,785 | (115,528) |
| Capital contributions | 38,574 | - | 99,685 | - |
| Transfers in | 322,353 | - | - | 244,886 |
| Transfers out | - | (5,000) | - | - |
| Total transfers | 322,353 | (5,000) | - | 244,886 |
| Change in net position | 202,658 | 298,945 | 554,470 | 129,358 |
| NET POSITION: | | | | |
| Beginning of year (as restated) | 1,694,770 | 2,492,783 | (747,944) | 1,880,883 |
| End of year | \$ 1,897,428 | \$ 2,791,728 | \$ (193,474) | \$ 2,010,241 |

See accompanying Notes to Basic Financial Statements.

| Non-Major Enterprise Fund Geothermal Fund | Totals | Governmental Activities Internal Service Funds |
|--|--------------|---|
| \$ 92,732 | \$ 7,318,193 | \$ 815,087 |
| 92,732 | 7,318,193 | 815,087 |
| - | 1,086,251 | - |
| 32,104 | 2,370,549 | 418,363 |
| - | - | 215,134 |
| 621 | 1,034,670 | - |
| 32,725 | 4,491,470 | 633,497 |
| 15,489 | 465,644 | - |
| 15,489 | 465,644 | - |
| 48,214 | 4,957,114 | 633,497 |
| 44,518 | 2,361,079 | 181,590 |
| 488 | 18,103 | 5,806 |
| - | (1,851,761) | - |
| - | 2,518 | - |
| 488 | (1,831,140) | 5,806 |
| 45,006 | 529,939 | 187,396 |
| - | 138,259 | - |
| - | 567,239 | 44,640 |
| - | (5,000) | - |
| - | 562,239 | 44,640 |
| 45,006 | 1,230,437 | 232,036 |
| 456,108 | 5,776,600 | 451,278 |
| \$ 501,114 | \$ 7,007,037 | \$ 683,314 |

City of Susanville
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2013

| | Major Enterprise Funds | | | |
|---|------------------------|--------------|------------------|------------------|
| | Airport Fund | Water Fund | Natural Gas Fund | Golf Course Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Receipts from customers | \$ 44,249 | \$ 2,426,310 | \$ 4,588,749 | \$ 316,493 |
| Payments to suppliers and users | (44,667) | (716,559) | (1,490,325) | (191,961) |
| Payments to employees | (11,195) | (634,962) | (684,350) | (113,987) |
| Net cash provided by (used in) operating activities | (11,613) | 1,074,789 | 2,414,074 | 10,545 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Cash receipts from other funds | 322,353 | - | - | 257,857 |
| Cash payments to other funds | (317,547) | (5,000) | - | (181,982) |
| Net cash provided by (used in) noncapital financing activities | 4,806 | (5,000) | - | 75,875 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Purchase of capital assets | (31,359) | (444,837) | (6,200) | - |
| Capital grants received | 38,574 | 1,965 | 99,944 | 294 |
| Interest paid | (621) | (419,518) | (1,417,108) | (15,100) |
| Principal payments - long-term debt | - | (269,000) | (75,000) | (20,766) |
| Net cash provided by (used in) capital and related financing activities | 6,594 | (1,131,390) | (1,398,364) | (35,572) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest received | 213 | 10,505 | 7,144 | 54 |
| Net cash provided by investing activities | 213 | 10,505 | 7,144 | 54 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | - | (51,096) | 1,022,854 | 50,902 |
| CASH AND CASH EQUIVALENTS: | | | | |
| Beginning of year | - | 4,723,957 | 3,989,627 | 400 |
| End of year | \$ - | \$ 4,672,861 | \$ 5,012,481 | \$ 51,302 |
| FINANCIAL STATEMENT PRESENTATION: | | | | |
| Cash and investments | \$ - | \$ 4,034,025 | \$ 3,205,247 | \$ 51,302 |
| Restricted cash and investments with fiscal agents | - | 638,836 | 1,807,234 | - |
| Total | \$ - | \$ 4,672,861 | \$ 5,012,481 | \$ 51,302 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | | |
| Operating income | \$ (157,861) | \$ 711,190 | \$ 1,864,053 | \$ (100,821) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 150,393 | 380,925 | 413,406 | 89,325 |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | (35,373) | 95,065 | 178,370 | 6,333 |
| Prepaid expenses | 13 | 289 | 631 | 1,029 |
| Inventory | - | (80,387) | 2,230 | 8,224 |
| Deposits | - | - | - | - |
| Accounts payable | 30,984 | (29,886) | 59,573 | 11,400 |
| Accrued wages | (310) | 7,667 | (2,735) | 1,056 |
| Deposits payable | - | (2,289) | 10,605 | (2,593) |
| Unearned revenue | 1,134 | - | (99,685) | (1,227) |
| Compensated absences | (593) | (7,785) | (12,374) | (2,181) |
| Early retirement incentive | - | - | - | - |
| Other postemployment benefits payable | - | - | - | - |
| Total adjustments | 146,248 | 363,599 | 550,021 | 111,366 |
| Net cash provided by operating activities | \$ (11,613) | \$ 1,074,789 | \$ 2,414,074 | \$ 10,545 |

See accompanying Notes to Basic Financial Statements.

| Non-Major Enterprise Fund Geothermal Fund | | Totals | Governmental Activities Internal Service Funds |
|--|---------------------|-------------------|---|
| \$ 94,743 | \$ 7,470,544 | \$ 627,286 | |
| (39,979) | (2,483,491) | (218,806) | |
| (8,410) | (1,452,904) | (447,384) | |
| <u>46,354</u> | <u>3,534,149</u> | <u>(38,904)</u> | |
| - | 580,210 | 44,640 | |
| - | (504,529) | (6,615) | |
| - | <u>75,681</u> | <u>38,025</u> | |
| - | (482,396) | - | |
| - | 140,777 | - | |
| - | (1,852,347) | - | |
| - | (364,766) | - | |
| - | <u>(2,558,732)</u> | - | |
| 484 | 18,400 | 11,026 | |
| 484 | 18,400 | 11,026 | |
| 46,838 | 1,069,498 | 10,147 | |
| 192,997 | 8,906,981 | 493,222 | |
| <u>\$ 239,835</u> | <u>\$ 9,976,479</u> | <u>503,369</u> | |
| \$ 239,835 | \$ 7,530,409 | \$ 503,369 | |
| - | 2,446,070 | - | |
| <u>\$ 239,835</u> | <u>\$ 9,976,479</u> | <u>\$ 503,369</u> | |
| \$ 44,518 | \$ 2,361,079 | \$ 181,590 | |
| 621 | 1,034,670 | - | |
| 2,011 | 246,406 | (187,801) | |
| - | 1,962 | (3,848) | |
| - | (69,933) | - | |
| - | - | - | |
| (369) | 71,702 | 176 | |
| - | 5,678 | 251 | |
| - | 5,723 | - | |
| - | (99,778) | - | |
| (427) | (23,360) | 28,681 | |
| - | - | (46,500) | |
| - | - | (11,453) | |
| 1,836 | 1,173,070 | (220,494) | |
| <u>\$ 46,354</u> | <u>\$ 3,534,149</u> | <u>(38,904)</u> | |

FIDUCIARY FUND FINANCIAL STATEMENTS

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

LAFCO Fund, accounts for agency activities for LAFCO.

HUSA Business Improvement Fund accounts for agency activities for HUSA.

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

City of Susanville
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

| | Agency Funds | | | | Totals |
|--------------------------|------------------------------------|------------------|--------------------------------------|-----------------------------------|-------------------|
| | Section 125 Aflac/ Wageworks | LAFCO Fund | HUSA Business Improvement Fund | Air Pollution District Fund | |
| ASSETS | | | | | |
| Cash and investments | \$ - | \$ 26,644 | \$ 2,011 | \$ 593,951 | \$ 622,606 |
| Accounts receivable | - | - | 5,837 | 26,839 | 32,676 |
| Interest receivable | - | 21 | - | 413 | 434 |
| Total assets | \$ - | \$ 26,665 | \$ 7,848 | \$ 621,203 | \$ 655,716 |
| LIABILITIES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | - | - | - | 2,817 | 2,817 |
| Deposits payable | - | 26,665 | 7,848 | 613,121 | 647,634 |
| Compensated absences | - | - | - | 5,265 | 5,265 |
| Total liabilities | \$ - | \$ 26,665 | \$ 7,848 | \$ 621,203 | \$ 655,716 |

See accompanying Notes to Basic Financial Statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

B. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements, Continued

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

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

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

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

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

Governmental Fund Financial Statements

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

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

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

State Revolving Loan Special Revenue Fund accounts for program income received from Community Development Block Grant loans given for housing rehabilitation that is then re-issued in the form of new loans.

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

STIP Capital Rehab Capital Project Fund accounts for expenditures of the 2012 Susanville Rehabilitation B Project funded through the State Transportation Improvement Program (STIP).

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

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

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

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

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

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

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

Barry Creek Development and Chestnut Street Culvert Special Revenue Funds account for fees collected from new developments within the Barry Creek and Chestnut Street areas used to repay the City for installation of the culverts.

Skyline Rt. 139 Signal, Skyline Numa Signal, and Skyline Bicycle Lane Special Revenue Funds account for fees collected from new developments within the Skyline area to be used for the installation and maintenance of traffic signals, parks and parkways.

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

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

Prop 1B Local Streets and Road Capital Projects Fund accounts for Proposition 1B revenues and expenditures.

2010 Federal ARRA Rehab Project Capital Projects Fund accounts for American Recovery and Reinvestment Act revenues and expenditures.

Sierra Park Project Capital Projects Fund accounts for Proposition 84 grant revenues used to create a sports complex on Sierra Road.

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements

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

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

C. Cash, Cash Equivalents, and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

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

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

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash, Cash Equivalents, and Investments, Continued

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

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

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

D. Restricted Cash and Investments

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

E. Compensated Absences

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Property Taxes

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

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

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

G. Capital Assets

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Capital Assets, Continued

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

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

H. Use of Estimates

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

I. Inventory

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

J. New Pronouncements

In 2013, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 60, *Accounting and Financial Reporting for Concession Arrangements* - The objective of this statement is to improve financial reporting by addressing issues related to service concession arrangements which are a type of public-private or public-public partnership. There was no effect on net position by the City implementing this new accounting standard.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. *New Pronouncements, Continued*

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* – The requirements of this statement result in financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. There was no effect on net position by the City implementing the new accounting standard
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* – The requirements of this statement will improve financial reporting by contributions to the Governmental Accounting Standards Board’s (GASB) effort to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. There was no effect on net position by the City implementing this new accounting standard.
- GASB Statement No. 63, *The Financial Reporting Entity: Omnibus, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* – The objective of this statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of position and related disclosures.

2. CASH AND INVESTMENTS

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

| | Government-Wide Statement of Net Position | | | Total |
|--|--|-----------------------------|--------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Fiduciary Funds | |
| Cash and investments | \$ 3,371,712 | \$ 7,530,409 | \$ 622,606 | \$ 11,524,727 |
| Restricted cash and investments | 152,273 | 2,446,070 | - | 2,598,343 |
| Investments in bonds with fiscal agent | 600,000 | - | - | 600,000 |
| Total cash and investments | \$ 4,123,985 | \$ 9,976,479 | \$ 622,606 | \$ 14,723,070 |

Cash and investment as of June 30, 2013 consist of the following:

| | |
|--|-----------------------------|
| Cash on hand | \$ 1,250 |
| Deposits with financial institution | 308,666 |
| Local Agency Investment funds | <u>11,214,811</u> |
| | 11,524,727 |
| Restricted cash and investments | 2,598,343 |
| Investments in bonds with fiscal agent | <u>600,000</u> |
| Total cash and investments | \$ <u>14,723,070</u> |

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, CONTINUED

A. Deposits

The carrying amount of the City's cash deposit was a positive amount of \$308,666 at June 30, 2013. Bank balances before reconciling items were \$516,530 at June 30, 2013. The City has waived the collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

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

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

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

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

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, CONTINUED

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

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

| | | |
|---|-----------|---------------|
| Interest income | \$ | 27,575 |
| Unrealized gain in changes in fair value of investments | | 3,063 |
| Total investment income | \$ | 30,638 |

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

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2013, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

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

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

As of June 30, 2013, the City had \$11,214,811 invested in LAIF, which had invested 1.96% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.47% in the previous year. The LAIF fair value factor of 1.000273207 was used to calculate the fair value of the investments in LAIF.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, CONTINUED

C. Investments Authorized by Debt Agreements

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

D. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

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

| Investment Type | Totals | Remaining Maturity (in Months) | | | | | |
|------------------------|----------------------|--------------------------------|--------------------|-------------------|-----------------|-----------------|------------------------|
| | | 12 Months Or Less | 13 to 24 Months | 25-36 Months | 37-48 Months | 49-60 Months | More Than 60 Months |
| State Pool | 11,214,811 | 11,214,811 | - | - | - | - | - |
| Held by fiscal agents: | | | | | | | |
| Money market funds | 2,598,343 | 2,598,343 | - | - | - | - | - |
| Miller Fletcher bonds | 600,000 | - | - | 600,000 | - | - | - |
| | <u>\$ 14,413,154</u> | <u>\$ 13,813,154</u> | <u>\$ -</u> | <u>\$ 600,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, Continued

E. Disclosures Relating to Credit Risk

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

| Investment Type | Amount | Minimum Legal Rating | Exempt From Disclosure | Rating as of Fiscal Year End | | | |
|------------------------|----------------------|----------------------------|------------------------------|------------------------------|-------------|-------------|----------------------|
| | | | | AAA | AA | A | Not Rated |
| State Pool | \$ 11,214,811 | N/A | \$ - | \$ - | \$ - | \$ - | \$ 11,214,811 |
| Held by fiscal agents: | | | | | | | |
| Money market funds | 2,598,343 | N/A | - | 2,598,343 | - | - | - |
| Miller Fletcher bonds | 600,000 | | - | - | - | - | 600,000 |
| Total | \$ 14,413,154 | | \$ - | \$ 2,598,343 | \$ - | \$ - | \$ 11,814,811 |

F. Concentration of Credit Risk

The City's investment policy contains certain limitations on the amount that can be invested in any one issuer. There were no investments other than the State Investment Pool in any issuer that represents 5% or more of the City's total investments as of June 30, 2013.

G. Custodial Credit Risk

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

| | Balance July 1, 2012 | Prior Period Adjustment | Additions | Deletions | Balance June 30, 2013 |
|-------------------------------------|-------------------------|----------------------------|--------------|--------------|--------------------------|
| Governmental Activities | | | | | |
| Nondepreciable capital assets: | | | | | |
| Land | \$ 3,230,764 | \$ - | \$ - | \$ - | \$ 3,230,764 |
| Total nondepreciable capital assets | 3,230,764 | - | - | - | 3,230,764 |
| Depreciable capital assets: | | | | | |
| Buildings | 1,252,436 | - | - | - | 1,252,436 |
| Machinery and equipment | 2,309,184 | - | 76,980 | - | 2,386,164 |
| Other improvements | 2,365,050 | - | 28,584 | - | 2,393,634 |
| Total depreciable capital assets | 5,926,670 | - | 105,564 | - | 6,032,234 |
| Less accumulated depreciation | (4,836,110) | - | (340,706) | - | (5,176,816) |
| Net depreciable capital assets | 1,090,560 | - | (235,142) | - | 855,418 |
| Net capital assets | \$ 4,321,324 | \$ - | \$ (235,142) | \$ - | \$ 4,086,182 |
| Business-type Activities | | | | | |
| Nondepreciable capital assets: | | | | | |
| Land | \$ 2,226,085 | \$ 1,177,518 | \$ - | \$ - | \$ 3,403,603 |
| Construction in progress | 187,367 | - | 156,820 | (187,367) | 156,820 |
| Total nondepreciable capital assets | 2,413,452 | 1,177,518 | 156,820 | (187,367) | 3,560,423 |
| Depreciable capital assets: | | | | | |
| Infrastructure | 26,488,635 | - | - | - | 26,488,635 |
| Buildings | 904,147 | (41,664) | - | - | 862,483 |
| Machinery and equipment | 4,875,989 | (155,559) | 6,200 | - | 4,726,630 |
| Other improvements | 7,945,778 | (1,413,021) | 506,743 | - | 7,039,500 |
| Total depreciable capital assets | 40,214,549 | (1,610,244) | 512,943 | - | 39,117,248 |
| Less accumulated depreciation | (11,947,345) | 328,902 | (948,187) | - | (12,566,630) |
| Net depreciable capital assets | 28,267,204 | (1,281,342) | (435,244) | - | 26,550,618 |
| Net capital assets | \$ 30,680,656 | \$ (103,824) | \$ (278,424) | \$ (187,367) | \$ 30,111,041 |

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

3. CAPITAL ASSETS, Continued

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

| | Balance July 1, 2012 | Additions | Deletions | Balance June 30, 2013 |
|---------------------------------------|-------------------------|--------------|--------------|--------------------------|
| Business-type Activities | | | | |
| Airport | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 43,189 | \$ - | \$ - | \$ 43,189 |
| Construction in progress | - | 31,359 | - | 31,359 |
| Total nondepreciable capital assets | 43,189 | 31,359 | - | 74,548 |
| Depreciable capital assets: | | | | |
| Buildings | 166,873 | - | - | 166,873 |
| Machinery and equipment | 280,969 | - | - | 280,969 |
| Other improvements | 2,447,519 | - | - | 2,447,519 |
| Total depreciable capital assets | 2,895,361 | - | - | 2,895,361 |
| Less accumulated depreciation | (918,492) | (150,393) | - | (1,068,885) |
| Net depreciable capital assets | 1,976,869 | (150,393) | - | 1,826,476 |
| Net capital assets | \$ 2,020,058 | \$ (119,034) | \$ - | \$ 1,901,024 |
| | | | | |
| | Balance July 1, 2012 | Additions | Deletions | Balance June 30, 2013 |
| Business-type Activities | | | | |
| Water | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 943,183 | \$ - | \$ - | \$ 943,183 |
| Construction in progress | 187,367 | 125,461 | (187,367) | 125,461 |
| Total nondepreciable capital assets | 1,130,550 | 125,461 | (187,367) | 1,068,644 |
| Depreciable capital assets: | | | | |
| Infrastructure | 4,112,864 | - | - | 4,112,864 |
| Buildings | 315,266 | - | - | 315,266 |
| Machinery and equipment | 3,862,384 | - | - | 3,862,384 |
| Other improvements | 3,935,030 | 506,743 | - | 4,441,773 |
| Total depreciable capital assets | 12,225,544 | 506,743 | - | 12,732,287 |
| Less accumulated depreciation | (7,067,492) | (319,831) | - | (7,387,323) |
| Net depreciable capital assets | 5,158,052 | 186,912 | - | 5,344,964 |
| Net capital assets | \$ 6,288,602 | \$ 312,373 | \$ (187,367) | \$ 6,413,608 |

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

3. CAPITAL ASSETS, Continued

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

| | Balance July 1, 2012 | Additions | Deletions | Balance June 30, 2013 |
|---------------------------------------|-------------------------|--------------|-----------|--------------------------|
| Geothermal | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 249,124 | \$ - | \$ - | \$ 249,124 |
| Total nondepreciable capital assets | 249,124 | - | - | 249,124 |
| Depreciable capital assets: | | | | |
| Buildings | 24,852 | - | - | 24,852 |
| Machinery and equipment | 228,666 | - | - | 228,666 |
| Total depreciable capital assets | 253,518 | - | - | 253,518 |
| Less accumulated depreciation | (248,546) | (621) | - | (249,167) |
| Net depreciable capital assets | 4,972 | (621) | - | 4,351 |
| Net capital assets | \$ 254,096 | \$ (621) | \$ - | \$ 253,475 |
| | | | | |
| | Balance July 1, 2012 | Additions | Deletions | Balance June 30, 2013 |
| Business-type Activities | | | | |
| Natural Gas | | | | |
| Depreciable capital assets: | | | | |
| Infrastructure | \$ 22,375,771 | \$ - | \$ - | \$ 22,375,771 |
| Machinery and equipment | 280,688 | 6,200 | - | 286,888 |
| Total depreciable capital assets | 22,656,459 | 6,200 | - | 22,662,659 |
| Less accumulated depreciation | (3,233,085) | (388,017) | - | (3,621,102) |
| Net depreciable capital assets | 19,423,374 | (381,817) | - | 19,041,557 |
| Net capital assets | \$ 19,423,374 | \$ (381,817) | \$ - | \$ 19,041,557 |

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

3. CAPITAL ASSETS, Continued

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

| | Balance July 1, 2012 | Prior Period Adjustment | Additions | Deletions | Balance June 30, 2013 |
|---------------------------------------|-------------------------|----------------------------|-----------------|-----------|--------------------------|
| Golf Course | | | | | |
| Nondepreciable capital assets: | | | | | |
| Land | \$ 990,589 | \$ 1,177,518 | \$ - | \$ - | \$ 2,168,107 |
| Total nondepreciable capital assets | 990,589 | 1,177,518 | - | - | 2,168,107 |
| Depreciable capital assets: | | | | | |
| Buildings | 397,156 | (41,664) | - | - | 355,492 |
| Machinery and equipment | 223,282 | (155,559) | - | - | 67,723 |
| Other improvements | 1,563,229 | (1,413,021) | - | - | 150,208 |
| Total depreciable capital assets | 2,183,667 | (1,610,244) | - | - | 573,423 |
| Less accumulated depreciation | (479,730) | 328,902 | (89,325) | - | (240,153) |
| Net depreciable capital assets | 1,703,937 | (1,281,342) | (89,325) | - | 333,270 |
| Net capital assets | \$ 2,694,526 | \$ (103,824) | \$ (89,325) | \$ - | \$ 2,501,377 |

Depreciation Allocations

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

| | |
|--|-------------------|
| Governmental Activities: | |
| General government | \$ 189,773 |
| Public safety | 84,683 |
| Streets | 5,112 |
| Protective inspections | 1,160 |
| Community services | <u>59,978</u> |
| Total Depreciation Expense-Governmental Activities | <u>\$ 340,706</u> |
| Business-type Activities: | |
| Airport | \$ 150,393 |
| Water | 319,831 |
| Geothermal | 621 |
| Natural Gas | 388,017 |
| Golf Course | <u>89,325</u> |
| Total Depreciation Expense-Governmental Activities | <u>\$ 948,187</u> |

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at June 30, 2013 as follows:

Due to/from other funds:

| <u>Due To General Fund</u> | <u>Due From Other Funds</u> |
|---------------------------------|-----------------------------|
| STIP Rehab Capital Project Fund | \$ 1,216,468 |
| Airport Enterprise Fund | 5,695 |
| Total | <u>\$ 1,222,163</u> |

The amounts due to the General Fund from other funds represent reclassified temporary negative cash balances pending grant reimbursements or other receivables. Current interfund balances arise in the normal course of operations and are expected to be repaid shortly after the end of the fiscal year.

Advances to/from other funds:

| | <u>Advances from Other Funds</u> | | <u>Total</u> |
|---|----------------------------------|------------------------------------|-------------------|
| | <u>General Fund</u> | <u>Golf Course Enterprise Fund</u> | |
| <u>Advances to Other Funds</u> | | | |
| General Fund | \$ - | \$ 224,150 | \$ 224,150 |
| State Revolving Loan Fund | 247,549 | - | 247,549 |
| Internal Service Fund: | | | |
| Risk Management Fund | - | 235,436 | 235,436 |
| Nonmajor Governmental Funds: | | | |
| State Revolving Economic Development Fund | 133,823 | - | 133,823 |
| Total | <u>\$ 381,372</u> | <u>\$ 459,586</u> | <u>\$ 840,958</u> |

The amounts due from the General Fund represent interfund loans made by the State Revolving Loan and State Revolving Economic Development Funds previously issued to the dissolved Susanville Redevelopment. Amounts payable from the Golf Course Enterprise Fund represent loans for the operation of the City's golf course.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, Continued

Interfund transfers:

| Transfers Out | Transfers In | | | | | Total |
|-----------------------|-----------------|----------------------|-------------------------|-----------------------------|------------------------|-------------------|
| | General Fund | Nonmajor Gov't Funds | Airport Enterprise Fund | Golf Course Enterprise Fund | Internal Service Funds | |
| General Fund | \$ - | \$ 163,537 | \$ 322,353 | \$ 244,886 | \$ 44,640 | \$ 775,416 |
| Water Enterprise Fund | 5,000 | - | - | - | - | 5,000 |
| Total | \$ 5,000 | \$ 163,537 | \$ 322,353 | \$ 244,886 | \$ 44,640 | \$ 780,416 |

In general, the City uses interfund transfers to (1) move revenues from the funds that collect them to the funds that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to help finance various programs and capital projects accounted for in other funds in accordance with budgetary authorization, and (3) move cash to debt service funds from the funds responsible for payment as debt service payments become due. The transfer from the Water Fund to the General fund was for fire hydrant maintenance costs. The transfer from the General fund to the Gas tax Fund was a contribution made for snow removal costs. The transfer from the General fund to the City Hall Debt Service Fund was made for pay debt service requirements. The transfers from the General fund to the Airport and Golf Course Enterprise funds were transfers made for operations.

5. LOANS RECEIVABLE

The following schedule summarizes notes and loans receivables as of June 30, 2013:

| | |
|--|---------------------|
| Note Receivable for business assistance - General Fund | \$ 70,834 |
| State Revolving Fund notes receivables | 564,518 |
| State Revolving Economic Development fund notes receivable | 54,335 |
| Home Revolving Loan funds notes receivable | <u>556,262</u> |
| Total notes receivable | <u>\$ 1,245,949</u> |

These loans represent amounts loaned to individuals and businesses to assist in the purchase or rehabilitation of residences or businesses.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

6. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2013, was as follows:

| | July 1, 2012 Balance | Additions | Reductions | June 30, 2013 Balance | Due Within One Year |
|---|-------------------------|------------------|---------------------|--------------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| 1992 Revenue Bond | \$ 700,000 | \$ - | \$ (95,000) | \$ 605,000 | \$ 105,000 |
| 2012 Lease Financing | 1,581,555 | - | (40,216) | 1,541,339 | 83,367 |
| Deferred loss on refunding | (77,682) | - | 5,179 | (72,503) | - |
| Compensated absences | 154,176 | 76,234 | (23,315) | 207,095 | 29,206 |
| Early retirement incentive | 219,480 | - | (46,500) | 172,980 | 44,640 |
| Sick leave conversion | 46,741 | - | (11,453) | 35,288 | 11,452 |
| | <u>2,624,270</u> | <u>76,234</u> | <u>(211,305)</u> | <u>2,489,199</u> | <u>273,665</u> |
| Governmental activities Long-term liabilities | <u>\$ 2,624,270</u> | <u>\$ 76,234</u> | <u>\$ (211,305)</u> | <u>\$ 2,489,199</u> | <u>\$ 273,665</u> |
| Business-type activities: | | | | | |
| Bonds Payable: | | | | | |
| Revenue | \$ 34,230,000 | \$ - | \$ (330,000) | \$ 33,900,000 | \$ 460,000 |
| Deferred loss on refunding | (923,433) | - | 51,301 | (872,132) | - |
| Original issue discounts | (389,951) | - | 11,817 | (378,134) | - |
| Notes payable | 884,000 | - | (14,000) | 870,000 | 14,000 |
| Capital lease payable | 39,063 | - | (20,766) | 18,297 | 18,297 |
| Compensated absences | 91,506 | - | (23,360) | 68,146 | 9,223 |
| | <u>33,931,185</u> | <u>-</u> | <u>(325,008)</u> | <u>33,606,177</u> | <u>501,520</u> |
| Business-type activities Long-term liabilities | <u>\$ 33,931,185</u> | <u>\$ -</u> | <u>\$ (325,008)</u> | <u>\$ 33,606,177</u> | <u>\$ 501,520</u> |

B. Revenue Bonds

1992 Revenue Bond, Series B - Interest from 6.6% to 7.75% is payable on March 1 and September 1, maturities are payable on September 1 in annual redemptions of \$35,000 and above. Final payment is on September 1, 2017. Original issue was \$1,650,000. The balance at June 30, 2013 is \$605,000.

Future debt service requirements on the 1992 Revenue bonds are:

| Fiscal Year Ended June 30, | Revenue Bonds | | Total |
|-------------------------------|-------------------|-------------------|-------------------|
| | Principal | Interest | |
| 2014 | 105,000 | 42,819 | 147,819 |
| 2015 | 110,000 | 34,487 | 144,487 |
| 2016 | 120,000 | 25,575 | 145,575 |
| 2017 | 130,000 | 15,888 | 145,888 |
| 2018 | 140,000 | 5,425 | 145,425 |
| Total | <u>\$ 605,000</u> | <u>\$ 124,194</u> | <u>\$ 729,194</u> |

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

6. LONG-TERM DEBT, Continued

B. Revenue Bonds. Continued

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

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

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

| Fiscal Year Ended June 30, | Revenue Bonds | | Total |
|-------------------------------|---------------------|-------------------|---------------------|
| | Principal | Interest | |
| 2014 | 83,367 | 53,230 | 136,597 |
| 2015 | 87,778 | 50,274 | 138,052 |
| 2016 | 89,488 | 47,163 | 136,651 |
| 2017 | 90,989 | 44,039 | 135,028 |
| 2018 | 94,877 | 40,819 | 135,696 |
| 2019-2023 | 529,741 | 150,867 | 680,608 |
| 2024-2028 | 565,099 | 57,598 | 622,697 |
| Total | <u>\$ 1,541,339</u> | <u>\$ 443,990</u> | <u>\$ 1,985,329</u> |

Defeased Debt:

During fiscal year ended June 30, 2012, \$1,787,682 from the 2012 Lease Financing was placed in an irrevocable trust that would be used to redeem the 2002 City Halls Bonds on September 1, 2012. Accordingly, the trust account assets and the liability for the defeased 2002 City Hall Bonds are not included in the City's financial statements. At June 30, 2013, the 2002 City Hall Bonds outstanding balance which is considered defeased was \$0.

The City defeased the 2004 Water Revenue Bonds by placing the proceeds of the 2010 Refunding Revenue Bonds Senior, Series A in an irrevocable trust to provide for future debt service payments on the 2004 Water Revenue Bonds. Accordingly, the trust account assets and the liability for the defeased 2004 Water Revenue Bonds are not included in the City's financial statements. At June 30, 2013, the 2004 Water Revenue Bonds outstanding balances which is considered defeased was \$3,300,000.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

6. LONG-TERM DEBT, Continued

B. Revenue Bonds, Continued

The 2010 Refunding Revenue Bonds Senior, Series A - Interest from .6% to 5.0% is payable on June 1 and December 1, maturities are payable on June 1 in annual redemptions of \$250,000 to \$605,000. Final payment is on June 1, 2036. Original issue was \$9,700,000. Proceeds were used to repay the 2000 Water Revenue Bond, fund a reserve account, and pay the costs of issuance incurred in connection with the issuance, sale, and delivery of the new bond. The liability is shown in the Water Enterprise Fund. The balance at June 30, 2012 is \$8,840,000.

The 2010 Refunding Revenue Subordinate, Series B - Interest from 2.0% to 6.0% is payable on June 1 and December 1, maturities are payable on June 1 in annual redemptions of \$25,000 to \$1,700,000. Final payment is on June 1, 2045. Original issue was \$25,160,000. Proceeds were used to repay the 2001-1 Certification of Participation (COP's), Series A, B, C, and D, fund a reserve account, and pay the costs of issuance incurred in connection with the issuance, sale, and delivery of the new bond. The liability is shown in the Natural Gas Enterprise Fund. The balance at June 30, 2012 is \$25,060,000.

The City defeased the 2000 Water Revenue bond and 2001-1 COP's Series A, B, C, and D by placing the proceeds from the issuance of the 2010 Refunding Revenue Bonds Senior, Series A and 2010 Refunding Revenue Subordinate, Series B in an irrevocable trust to provide for all future debt service payments. Accordingly, the trust account assets and the liability for the defeased debt is not included in the City's financial statements. At June 30, 2013, the outstanding balances on the defeased debt was \$0, as the entire balance has been redeemed.

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

| Fiscal Year Ended June 30, | Revenue Bonds | | Total |
|-------------------------------|---------------|---------------|---------------|
| | Principal | Interest | |
| 2014 | 460,000 | 1,794,408 | \$ 2,254,408 |
| 2015 | 485,000 | 1,785,262 | 2,270,262 |
| 2016 | 510,000 | 1,773,962 | 2,283,962 |
| 2017 | 540,000 | 1,760,064 | 2,300,064 |
| 2018 | 575,000 | 1,743,525 | 2,318,525 |
| 2019-2023 | 3,490,000 | 8,366,503 | 11,856,503 |
| 2024-2028 | 4,780,000 | 7,408,027 | 12,188,027 |
| 2029-2033 | 6,200,000 | 6,014,563 | 12,214,563 |
| 2034-2038 | 6,790,000 | 4,138,851 | 10,928,851 |
| 2039-2043 | 6,765,000 | 2,256,600 | 9,021,600 |
| 2044-2045 | 3,305,000 | 300,300 | 3,605,300 |
| Total | \$ 33,900,000 | \$ 37,342,065 | \$ 71,242,065 |

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

6. LONG-TERM DEBT, Continued

C. Notes Payable

Notes payable at June 30, 2013, consisted of the following:

| | |
|--|-------------------|
| Water Fund to United States Department of Agriculture, bears interest at 4.25%. Principal is payable annually on September 23 and interest is payable semi-annually on March and September 23. The note matures on September 23, 2043. | <u>\$ 870,000</u> |
| Total Notes Payable | <u>\$ 870,000</u> |

The scheduled annual minimum debt service requirements at June 30, 2012, are as follows:

| Fiscal Year Ended June 30, | Notes Payable | | Total |
|-------------------------------|-------------------|-------------------|---------------------|
| | Principal | Interest | |
| 2014 | 14,000 | 36,677 | \$ 50,677 |
| 2015 | 15,000 | 36,061 | 51,061 |
| 2016 | 15,000 | 35,424 | 50,424 |
| 2017 | 16,000 | 34,765 | 50,765 |
| 2018 | 17,000 | 34,064 | 51,064 |
| 2019-2023 | 96,000 | 158,654 | 254,654 |
| 2024-2028 | 120,000 | 135,788 | 255,788 |
| 2029-2033 | 147,000 | 107,546 | 254,546 |
| 2034-2038 | 181,000 | 72,780 | 253,780 |
| 2039-2043 | 225,000 | 29,855 | 254,855 |
| 2044 | 24,000 | 510 | 24,510 |
| Total | <u>\$ 870,000</u> | <u>\$ 682,124</u> | <u>\$ 1,552,124</u> |

D. Capital Lease Payable

The City entered into a capital lease agreement with Business Equipment Financing for golf course equipment during the fiscal year ended June 30, 2010. The lease terms are 48 months with monthly payments of \$2,033, which includes sales tax, and commenced June 12, 2010. The fair value of the leased property was \$80,000.

The scheduled annual minimum debt service requirements at June 30, 2013 were as follows:

| Fiscal Year Ended June 30, | Total |
|-------------------------------------|------------------|
| 2014 | <u>\$ 22,363</u> |
| Total requirements | 22,363 |
| Less: interest | (4,066) |
| Present value of remaining payments | <u>\$ 18,297</u> |

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

6. LONG-TERM DEBT, Continued

E. Deferred Debt Expense

Bond issuance costs and original issue discounts are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method. Deferred losses on refundings are capitalized and amortized over the remaining life of the refunded issuance or the refunding issuance, whichever is shorter.

F. Compensated Absences

City employees accumulate earned but unused vacation and compensatory time benefits which can be converted to cash at termination of employment. Since no means exists to reasonably estimate the amounts that might be liquidated with expendable currently available financial resources, if any, they are reported as long-term debt on the Statement of Net Position. Expenditures are only reported in the fund statements when payments are made. However, in the Statement of Activities the expenditure is allocated to each function based on usage. The non-current portion of these vested benefits, payable in accordance with various collective bargaining agreements, at June 30, 2013, total \$207,095 for governmental activities and \$68,146 for business-type activities. Compensated absences for governmental activities are generally liquidated by the fund where the accrued liability accrued, which is usually the General Fund.

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

Plan Description

The City's defined benefit pension plan, Public Employees' Retirement System (PERS), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is a part of the Public Agency portion of the California Public Employees' Retirement System, (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes with the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

Funding Policy

The City contributes the employees and employer shares for the Miscellaneous Plan and the Safety Plan. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year 2012-13 was 25.321% for miscellaneous employees and 40.427% for safety employees. The contribution requirements of the plan members are established by the State statute and the employer contribution rate is established and may be amended by CalPERS. The City's contributions to CalPERS for the fiscal years ending June 30, 2013, 2012, and 2011, were \$886,347, \$871,623, and \$780,344, respectively, and equal 100% of the required contributions for each fiscal year. The City also paid the employees' portion of their required contribution, which was \$230,258, \$237,397, and \$256,882, for the fiscal years ending June 30, 2013, 2012, and 2011, respectively.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. CITY EMPLOYEES' REITREMENT PLAN (DEFINED BENEFIT PENSION PLAN), CONTINUED

The following table shows the City's required contributions and percentage contributed for the current year and two preceding years:

| Fiscal Year | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------|---------------------------------|-------------------------------------|---------------------------|
| 6/30/2011 | 780,344 | 100% | - |
| 6/30/2012 | 871,623 | 100% | - |
| 6/30/2013 | 886,347 | 100% | - |

The City retirement plans for police safety employees and miscellaneous employees are part of the CalPERS risk pool for cities and other governmental entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of funding progress for the City's police safety and miscellaneous employees are no longer available.

8. EARLY RETIREMENT INCENTIVE

During the fiscal year ended June 30, 2012, the City offered early retirement incentives to approximately 20 employees. The incentive included the opportunity to retire from the City and receive health insurance through the City's contract with the Laborer's Health and Welfare Fund for the retiree plan, in an amount up to \$930/month, for a period of 60 months from the date of retirement. To be eligible, employees had to be full-time, at least 45 years old, and have at least 7 years of employment with the City of Susanville. As of June 30, 2013, 4 employees agreed to the early retirement incentives. The balance of the accrued benefits, as of June 30, 2013 was \$172,980. This balance is included in the long-term debt disclosed in Note 6 - Long-Term Debt.

9. INSURANCE

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

9. INSURANCE, Continued

The City adopted the provisions of GASB Statement Number 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues".

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.

Condensed financial information of the Small Cities Organized Risk Effort (SCORE) for the fiscal year ended June 30, 2012, is as follows:

| | Liability Program | Workers Comp. Program | Total |
|------------------------------|-----------------------|--------------------------|-----------------------|
| Total Assets | \$ 6,784,777 | \$ 6,822,646 | \$ 13,607,423 |
| Total Liabilities | \$ 1,652,151 | \$ 4,434,655 | \$ 6,086,806 |
| Fund Equity | 5,132,626 | 2,387,991 | 7,520,617 |
| Total Liabilities and Equity | <u>\$ 6,784,777</u> | <u>\$ 6,822,646</u> | <u>\$ 13,607,423</u> |
| | | | |
| Total Revenues | \$ 1,718,643 | \$ 1,321,815 | \$ 3,040,458 |
| Total Expenditures | 2,854,424 | 4,088,698 | 6,943,122 |
| Net Increase/(Decrease) | <u>\$ (1,135,781)</u> | <u>\$ (2,766,883)</u> | <u>\$ (3,902,664)</u> |

The financial information above is the latest available information, as the June 30, 2013 information was not available as of the date of these financial statements.

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

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

Condensed financial information of ERMA for the fiscal year ended June 30, 2012 (most recent available), is as follows:

| | |
|------------------------------|----------------------|
| Total Assets | \$ 28,220,311 |
| Total Liabilities | \$ 10,995,566 |
| Fund Equity | 17,224,745 |
| Total Liabilities and Equity | <u>\$ 28,220,311</u> |
| | |
| Total Revenues | \$ 7,183,137 |
| Total Expenditures | 137,389 |
| Net Increase | <u>\$ 7,045,748</u> |

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

10. SICK LEAVE CONVERSION PAYABLE

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

The retirement benefit is limited to one-half of the employee's unused sick leave at the date of retirement, which may be applied only to fifty percent of health benefits for as long as the employee is eligible to receive those benefits. All employees other than members of the Susanville Police Officer's Association are limited to \$15,000 of conversion of unused sick leave upon retirement. This cost is funded on a pay-as-you-go basis and is accrued as a long-term liability in the long-term debt disclosed in Note 6 - Long-Term Debt once the retiree elects to retire and utilize one-half of their unused sick leave. As of June 30, 2013, the balance was \$35,288.

11. DEFERRED COMPENSATION PLANS

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

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

12. NET POSITION AND FUND BALANCES

A. Net Position

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

12. NET POSITION AND FUND BALANCES, Continued

A. Net Position, Continued

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

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

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

Restricted net position as of June 30, 2013:

| | Governmental Activities | Business-type Activities |
|-------------------------|----------------------------|-----------------------------|
| Restricted for: | | |
| Public Safety | \$ 165,050 | \$ - |
| Parks | 24,858 | - |
| Housing Rehabilitation | 369,326 | - |
| Economic Development | 1,609,497 | - |
| HOME Program | 190,535 | - |
| Traffic Safety | 81,454 | - |
| Traffic Signals | 129,008 | - |
| Streets and Roads | 425,391 | - |
| Debt Service | 1,067,226 | 2,446,070 |
| Capital Projects | 24,674 | - |
| <i>Total Restricted</i> | <u>\$ 4,087,019</u> | <u>\$ 2,446,070</u> |

B. Fund Balances

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

12. NET POSITION AND FUND BALANCES, Continued

B. Fund Balances, Continued

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

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

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

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

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

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

12. NET POSITION AND FUND BALANCES, Continued

B. Fund Balances, Continued

The constraints placed on fund balance for the major governmental funds and all other governmental funds at June 30, 2013 are as follows:

| Fund Balances | General Fund | State Revolving Loan Fund | Home Revolving Loan Fund | STIP Rehab Capital Project Fund | Mark Roos 92B Debt Service Fund | Nonmajor Governmental Funds | Total |
|----------------------------|---------------------|---------------------------|--------------------------|---------------------------------|---------------------------------|-----------------------------|---------------------|
| Nonspendable: | | | | | | | |
| Prepays | \$ 17,191 | \$ - | \$ - | \$ - | \$ 742 | \$ - | \$ 17,933 |
| Inventory | 45,070 | - | - | - | - | - | 45,070 |
| Advances | 224,150 | - | - | - | - | - | 224,150 |
| Total Nonspendable | 286,411 | - | - | - | 742 | - | 287,153 |
| Restricted for: | | | | | | | |
| Public Safety | - | - | - | - | - | 165,050 | 165,050 |
| Parks | - | - | - | - | - | 175,393 | 175,393 |
| Housing Rehabilitation | - | - | - | - | - | 369,326 | 369,326 |
| Economic Development | - | 434,382 | - | - | - | - | 434,382 |
| HOME Program | - | - | 190,535 | - | - | - | 190,535 |
| Traffic Safety | - | - | - | - | - | 81,454 | 81,454 |
| Traffic Signals | - | - | - | - | - | 110,497 | 110,497 |
| Streets and Roads | - | - | - | - | - | 512,522 | 512,522 |
| Debt Service | - | - | - | - | 962,123 | 104,361 | 1,066,484 |
| Capital Projects | - | - | - | - | - | 25,163 | 25,163 |
| Total Restricted | - | 434,382 | 190,535 | - | 962,123 | 1,543,766 | 3,130,806 |
| Assigned for: | | | | | | | |
| Capital Projects | 14,766 | - | - | - | - | - | 14,766 |
| Total Assigned | 14,766 | - | - | - | - | - | 14,766 |
| Unassigned | 1,846,833 | - | - | (478,663) | - | - | 1,368,170 |
| Total Fund Balances | \$ 2,148,010 | \$ 434,382 | \$ 190,535 | \$ (478,663) | \$ 962,865 | \$ 1,543,766 | \$ 4,800,895 |

*Included in the Unassigned Fund Balance for the General Fund is \$662,462 that is set-aside as a reserve, by Council Resolution.

13. REVENUE LIMITATIONS IMPOSED BY CALIFORNIA PROPOSITION 218

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

14. CONTINGENCIES AND COMMITMENTS

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

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

The City leases three copiers under an operating lease which requires 60 monthly payments of \$872. The City also leases fifteen new golf carts under an operating lease which require 18 seasonal monthly payments (May - October) of \$2,145 plus tax and fifteen used golf carts under an operating lease with requires 7.5 monthly payments of \$1,650. The City entered into a lease for an additional fifteen golf carts under an operating lease which requires 18 seasonal monthly payments (May - October) of \$2,160 plus tax. The following is a schedule, by year, of future minimum lease payments required under the operating leases as of June 30, 2013:

| Fiscal Year Ended June 30, | Total |
|-------------------------------|------------------|
| 2014 | 36,289 |
| 2015 | 31,998 |
| 2016 | 19,098 |
| 2017 | 10,458 |
| Total | <u>\$ 97,843</u> |

15. DEBT WITHOUT GOVERNMENT COMMITMENT

Local Agency Revenue Bonds - 1992

On October 29, 1992, the Susanville Public Financing Authority issued \$1,650,000 of 1992 Revenue Bonds - Series B (the "Authority Bonds") for the purpose of acquiring the Assessment District 92-1 Miller Fletcher Bonds, (the "District Bonds") in the amount of \$1,465,000. The Miller Fletcher Bonds were issued to provide the District with funds to design or acquire certain public improvements relating to the District.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest was payable on March 1, 1993, and semiannually thereafter on March 1 and September 1 of each year until maturity, with principal due every September 1. Series B Bonds have interest rates of 6.60% to 7.75% and are due September 1, 2017.

The District Bonds are not general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. Since these debts do not constitute an obligation of the City and the City is not obligated to make payment beyond the available bond reserves, these bonds have not been reflected in the long-term debt in the accompanying financial statements. The outstanding indebtedness on June 30, 2013 was \$600,000.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

16. DEFICIT FUND BALANCES/NET POSITION

Major Funds

A deficit net position of \$478,663 exists in the STIP Rehab Capital Project Fund. The deficit is due to the City incurring expenditures prior to receiving reimbursements from the State of California, the deficit will be covered by the State of California.

A deficit net position of \$193,474 exists for the Natural Gas Fund. The difference is due to the past years of accumulated expenses over revenues.

Internal Service Fund

A deficit of net position of \$344 exists in the Public Works Administration Fund. The deficit is due to the fund incurring more costs that charges to other funds.

A deficit of net position of \$174,344 exists in the Retirement Benefits Fund. The deficit is due to liabilities recorded for the agreed payments for health benefits to certain retirees.

17. PRIOR PERIOD ADJUSTMENT

The City recorded a prior period adjustments to reduce cost of donated assets to the estimated fair market value at the time of donation, reclassify certain capital assets which were previously reported as depreciable improvements to nondepreciable land improvements, and remove capital assets that did not meet the City's capitalization threshold.

Government-wide Statements

| | Net Position, as Previously Reported | Prior Period Adjustment Capital Assets | Net Position, as Restated |
|----------------------------|---|---|------------------------------|
| Government-Wide Statements | | | |
| Business-type Activities | \$ 5,880,424 | \$ (103,824) | \$ 5,776,600 |

Fund Statements

| | Net Position, as Previously Reported | Prior Period Adjustment Capital Assets | Net Position, as Restated |
|-----------------------------|---|---|------------------------------|
| Fund Statements | | | |
| Golf Course Enterprise Fund | \$ 1,984,707 | \$ (103,824) | \$ 1,880,883 |

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2013

18. SUBSEQUENT EVENTS

On September 1, 2013, the City entered into a loan agreement with UMPQUA bank to provide funds in the amount of \$4,907,000 to refund certain obligations of city to the California Public Employees Retirement System. This loan shall bear a fixed interest rate of 4.75% through September 2021 with an option to reset the loan to a Fixed Reset Rate or convert to a Variable Rate and will be redeemed over the next 15 years using gross revenues.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

City of Susanville
Required Supplementary Information
For the year ended June 30, 2013

1. BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Control and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governmental funds. The City's budget ordinance requires that in June of each year the City Administrator must submit a preliminary budget that includes projected expenditures and the means of financing them to the City Council for the fiscal year commencing the following July 1. As modified during public study 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 final 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 or decreases to a fund's overall budget must be approved by the City Council or Agency Board. Numerous properly authorized amendments are made during the fiscal year.

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

There were no budgets adopted for the HOME Revolving Fund, Barry Creek Development Fund, Chestnut Street Culvert Fund, or Sierra Park Project Fund.

City of Susanville
Required Supplementary Information, Continued
For the year ended June 30, 2013

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

B. Budgetary Comparison Schedules

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

Budgetary Comparison Schedule, General Fund

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Property taxes | \$ 4,244,272 | \$ 4,354,957 | \$ 4,487,678 | \$ 132,721 |
| Licenses and permits | 75,200 | 84,700 | 74,183 | (10,517) |
| Fines and forfeitures | 28,250 | 28,250 | 20,670 | (7,580) |
| Use of money and property | 26,205 | 35,995 | 25,011 | (10,984) |
| Intergovernmental | 164,970 | 386,853 | 369,527 | (17,326) |
| Program income | 5,600 | 5,600 | 5,000 | (600) |
| Charges for services | 60,405 | 66,014 | 66,244 | 230 |
| Other revenues | 35,064 | 25,296 | 13,074 | (12,222) |
| Total revenues | 4,639,966 | 4,987,665 | 5,061,387 | 73,722 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government: | 629,417 | 767,015 | 605,024 | 161,991 |
| Public Safety | 3,150,014 | 3,345,792 | 3,132,888 | 212,904 |
| Protective inspections | 222,265 | 230,657 | 218,394 | 12,263 |
| Community development | 160,194 | 146,557 | 127,407 | 19,150 |
| Community services | 215,874 | 228,874 | 185,481 | 43,393 |
| Capital outlay | 20,950 | 32,588 | 24,989 | 7,599 |
| Total expenditures | 4,398,714 | 4,751,483 | 4,294,183 | 457,300 |
| REVENUES OVER (UNDER) EXPENDITURES | 241,252 | 236,182 | 767,204 | 531,022 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 5,000 | 5,000 | 5,000 | - |
| Transfers out | (208,179) | (775,419) | (775,416) | 3 |
| Total other financing sources (uses) | (203,179) | (770,419) | (770,416) | - |
| Net change in fund balance | \$ 38,073 | \$ (534,237) | (3,212) | \$ 531,025 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 2,151,222 | |
| End of year | | | \$ 2,148,010 | |

City of Susanville
Required Supplementary Information, Continued
For the year ended June 30, 2013

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

B Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, State Revolving Loan Special Revenue Fund

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|--------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 763 | \$ 468 | \$ (295) |
| Program income | 50,000 | 20,000 | 11,241 | (8,759) |
| Total revenues | <u>50,000</u> | <u>20,763</u> | <u>11,709</u> | <u>(9,054)</u> |
| EXPENDITURES: | | | | |
| Community development | - | 102,117 | 102,229 | (112) |
| Total expenditures | <u>-</u> | <u>102,117</u> | <u>102,229</u> | <u>(112)</u> |
| Net change in fund balance | <u>\$ 50,000</u> | <u>\$ (81,354)</u> | <u>(90,520)</u> | <u>\$ (9,166)</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>524,902</u> | |
| End of year | | | <u>\$ 434,382</u> | |

City of Susanville
Required Supplementary Information, Continued
For the year ended June 30, 2013

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

B. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, HOME Revolving Loan Special Revenue Fund

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 543 | \$ 402 | \$ (141) |
| Program income | - | 22,220 | 22,984 | 764 |
| Total revenues | - | 22,763 | 23,386 | 623 |
| Net change in fund balance | \$ - | \$ 22,763 | 23,386 | \$ 623 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 167,149 | |
| End of year | | | \$ 190,535 | |

2. DEFINED BENEFIT PENSION PLAN

The City retirement plans for police safety employees and miscellaneous employees are part of the CalPERS risk pool for cities and other governmental entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of funding progress for the City's police safety and miscellaneous employees are no longer available.

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SUPPLEMENTARY INFORMATION

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MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS

STIP Rehab Capital Project Fund

STIP Capital Rehab Capital Project Fund accounts for expenditures of the 2012 Susanville Rehabilitation B Project funded through the State Transportation Improvement Program (STIP).

Mark Roos 92B Debt Service Fund

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

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City of Susanville

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

STIP Rehab Capital Project Fund

For the year ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ - | \$ 2,426,000 | \$ 1,495,408 | \$ (930,592) |
| Total revenues | <u>-</u> | <u>2,426,000</u> | <u>1,495,408</u> | <u>(930,592)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Streets | - | 2,426,000 | 1,974,071 | 451,929 |
| Total expenditures | <u>-</u> | <u>2,426,000</u> | <u>1,974,071</u> | <u>451,929</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>(478,663)</u> | <u>\$ (478,663)</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>-</u> | |
| End of year | | | <u>\$ (478,663)</u> | |

City of Susanville

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

Mark Roos 92B Debt Service Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|----------------|----------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes and assessments | \$ 150,069 | \$ 150,069 | \$ 11,282 | \$ (138,787) |
| Use of money and property | - | 15 | 15 | - |
| Total revenues | 150,069 | 150,084 | 11,297 | (138,787) |
| EXPENDITURES: | | | | |
| Debt service: | | | | |
| Principal | 95,000 | 95,000 | 95,000 | - |
| Interest and fiscal charges | 55,069 | 55,069 | 53,802 | 1,267 |
| Total expenditures | 150,069 | 150,069 | 148,802 | 1,267 |
| Net change in fund balance | \$ - | \$ 15 | (137,505) | \$ (137,520) |
| FUND BALANCE: | | | | |
| Beginning of year | | | 1,100,370 | |
| End of year | | | \$ 962,865 | |

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

State Revolving Economic Development 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.

Barry Creek Development and Chestnut Street Culvert Funds account for fees collected from new developments within the Barry Creek and Chestnut Street areas used to repay the City for installation of the culverts.

Skyline Rt. 139 Signal, Skyline Numa Signal, and Skyline Bicycle Lane Funds account for fees collected from new development within the Skyline area to be used for the installation and maintenance of traffic signals, parks and parkways.

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

NON-MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

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

CAPITAL PROJECT FUND

Prop 1B Local Streets and Road Fund Fund accounts for Proposition 1B revenues and expenditures.

2010 Federal ARRA Rehab Project Fund accounts for American Recovery and Reinvestment Act revenues and expenditures.

Sierra Park Project Fund accounts for Proposition 84 grant revenues used to create a sports complex on Sierra Road.

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City of Susanville
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2013

| | Special Revenue Funds | | | |
|--|-----------------------|-------------------|------------------|------------------|
| | Local Law | | | |
| | Enforcement | Gas | Street | Police |
| | Block Grant | Tax | Mitigation | Mitigation |
| | Fund | Fund | Fund | Fund |
| ASSETS | | | | |
| Cash and investments | \$ 38,336 | \$ 332,796 | \$ 43,156 | \$ 37,086 |
| Accounts receivable | - | 41,464 | - | - |
| Interest receivable | 4 | - | 31 | 26 |
| Inventory | - | 15,614 | - | - |
| Loans receivable | - | - | - | - |
| Advanced to other funds | - | - | - | - |
| | <u>\$ 38,340</u> | <u>\$ 389,874</u> | <u>\$ 43,187</u> | <u>\$ 37,112</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 4,348 | \$ - | \$ - |
| Accrued salaries and wages payable | 2,043 | 3,322 | - | - |
| Unearned and unavailable revenue | - | - | - | - |
| Total liabilities | <u>2,043</u> | <u>7,670</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | |
| Restricted | 36,297 | 382,204 | 43,187 | 37,112 |
| Unassigned | - | - | - | - |
| Total fund balances | <u>36,297</u> | <u>382,204</u> | <u>43,187</u> | <u>37,112</u> |
| Total liabilities and fund balances | <u>\$ 38,340</u> | <u>\$ 389,874</u> | <u>\$ 43,187</u> | <u>\$ 37,112</u> |

Special Revenue Funds

| Fire Mitigation Fund | Park Land In-lieu Fund | State Revolving Economic Development Fund | Traffic Safety Fund | Barry Creek Development Fund | Skyline Rt. 139 Signal Fund | Chestnut Street Culvert Fund |
|----------------------------|------------------------------|--|------------------------|------------------------------------|-----------------------------------|---------------------------------------|
| \$ 91,577 | \$ 24,744 | \$ 231,248 | \$ 81,396 | \$ 489 | \$ 18,009 | \$ 25,220 |
| - | - | 4,094 | - | - | - | - |
| 64 | 114 | 161 | 58 | - | 13 | 17 |
| - | - | - | - | - | - | - |
| - | - | 54,335 | - | - | - | - |
| - | - | 133,823 | - | - | - | - |
| <u>\$ 91,641</u> | <u>\$ 24,858</u> | <u>\$ 423,661</u> | <u>\$ 81,454</u> | <u>\$ 489</u> | <u>\$ 18,022</u> | <u>\$ 25,237</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 54,335 | - | - | - | - |
| - | - | 54,335 | - | - | - | - |
| 91,641 | 24,858 | 369,326 | 81,454 | 489 | 18,022 | 25,237 |
| - | - | - | - | - | - | - |
| <u>91,641</u> | <u>24,858</u> | <u>369,326</u> | <u>81,454</u> | <u>489</u> | <u>18,022</u> | <u>25,237</u> |
| <u>\$ 91,641</u> | <u>\$ 24,858</u> | <u>\$ 423,661</u> | <u>\$ 81,454</u> | <u>\$ 489</u> | <u>\$ 18,022</u> | <u>\$ 25,237</u> |

City of Susanville
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2013

| | Special Revenue Funds | | | Debt |
|--|-----------------------|-----------------|------------------|-------------------|
| | Skyline | Skyline | State of | Service Fund |
| | Numa Signal | Bicycle Lane | California | City Hall |
| | Fund | Fund | Prop 30 AB 109 | Debt Service |
| | Fund | Fund | Fund | Fund |
| ASSETS | | | | |
| Cash and investments | \$ 77,742 | \$ 7,459 | 24,674 | \$ 104,361 |
| Accounts receivable | - | - | - | - |
| Interest receivable | 53 | 6 | - | - |
| Inventory | - | - | - | - |
| Loans receivable | - | - | - | - |
| Advanced to other funds | - | - | - | - |
| | <u>\$ 77,795</u> | <u>\$ 7,465</u> | <u>\$ 24,674</u> | <u>\$ 104,361</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Accrued salaries and wages payable | - | - | - | - |
| Unearned and unavailable revenue | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | |
| Restricted | 77,795 | 7,465 | 24,674 | 104,361 |
| Unassigned | - | - | - | - |
| Total fund balances | <u>77,795</u> | <u>7,465</u> | <u>24,674</u> | <u>104,361</u> |
| Total liabilities and fund balances | <u>\$ 77,795</u> | <u>\$ 7,465</u> | <u>\$ 24,674</u> | <u>\$ 104,361</u> |



| Capital Projects Funds | | | Total |
|---|--|-----------------------------|------------------------------------|
| Prop 1B Local Streets and Road Fund | 2010 Federal ARRA Rehab Project Fund | Sierra Park Project Fund | Non-Major Governmental Funds |
| \$ 70,397 | \$ - | \$ 153,035 | \$ 1,361,725 |
| - | - | - | 45,558 |
| - | - | - | 547 |
| - | - | - | 15,614 |
| - | - | - | 54,335 |
| - | - | - | 133,823 |
| <u>\$ 70,397</u> | <u>\$ -</u> | <u>\$ 153,035</u> | <u>\$ 1,611,602</u> |
| | | | |
| \$ - | \$ - | \$ 2,500 | \$ 6,848 |
| 1,288 | - | - | 6,653 |
| - | - | - | 54,335 |
| <u>1,288</u> | <u>-</u> | <u>2,500</u> | <u>67,836</u> |
| | | | |
| 69,109 | - | 150,535 | 1,543,766 |
| - | - | - | - |
| <u>69,109</u> | <u>-</u> | <u>150,535</u> | <u>1,543,766</u> |
| <u>\$ 70,397</u> | <u>\$ -</u> | <u>\$ 153,035</u> | <u>\$ 1,611,602</u> |

City of Susanville

Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2013

| | Special Revenue Funds | | | |
|---|---|--------------------|------------------------------|-------------------------------|
| | Local Law Enforcement Block Grant Fund | Gas Tax Fund | Street Mitigation Fund | Police Mitigation Funds |
| REVENUES: | | | | |
| Fines and forfeitures | \$ - | \$ - | \$ - | \$ - |
| Use of money and property | 47 | - | 59 | 110 |
| Intergovernmental revenues | 80,589 | 523,619 | - | - |
| Program income | - | - | - | - |
| Other revenues | - | 158 | 7,941 | 10,271 |
| Total revenues | 80,636 | 523,777 | 8,000 | 10,381 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 114,233 | - | - | - |
| Streets | - | 649,511 | - | - |
| Community development | - | - | - | - |
| Capital outlay | - | 640 | - | 36,348 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | 120 | - | - |
| Total expenditures | 114,233 | 650,271 | - | 36,348 |
| REVENUES OVER (UNDER) EXPENDITURES | (33,597) | (126,494) | 8,000 | (25,967) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 17,328 | - | - |
| Transfers out | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | 3,400 |
| Total other financing sources (uses) | - | 17,328 | - | 3,400 |
| Net change in fund balances | (33,597) | (109,166) | 8,000 | (22,567) |
| FUND BALANCES: | | | | |
| Beginning of year | 69,894 | 491,370 | 35,187 | 59,679 |
| End of year | \$ 36,297 | \$ 382,204 | \$ 43,187 | \$ 37,112 |

Special Revenue Funds

| Fire Mitigation Fund | Park Land In-lieu Fund | State Revolving Economic Development Fund | Traffic Safety Fund | Barry Creek Development Fund | Skyline Rt. 139 Signal Fund | Chestnut Street Culvert Fund |
|----------------------------|------------------------------|--|---------------------------|------------------------------------|-----------------------------------|---------------------------------------|
| \$ - | \$ - | \$ - | \$ 10,533 | \$ - | \$ - | \$ - |
| 118 | 211 | 508 | 277 | 1 | 37 | 55 |
| - | - | - | - | - | - | - |
| - | - | 11,175 | - | - | - | - |
| 10,802 | 572 | - | - | - | 47 | - |
| 10,920 | 783 | 11,683 | 10,810 | 1 | 84 | 55 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 15,000 | - | - | 6,230 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 15,000 | - | - | 6,230 | - | - | - |
| (4,080) | 783 | 11,683 | 4,580 | 1 | 84 | 55 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 12,956 | - | - | - | - | - | - |
| 12,956 | - | - | - | - | - | - |
| 8,876 | 783 | 11,683 | 4,580 | 1 | 84 | 55 |
| 82,765 | 24,075 | 357,643 | 76,874 | 488 | 17,938 | 25,182 |
| \$ 91,641 | \$ 24,858 | \$ 369,326 | \$ 81,454 | \$ 489 | \$ 18,022 | \$ 25,237 |

City of Susanville
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2013

| | Special Revenue Funds | | | Debt Service Fund |
|---|--------------------------|---------------------------|---|-----------------------------|
| | Skyline Numa Signal Fund | Skyline Bicycle Lane Fund | State of California Prop 30 AB 109 Fund | City Hall Debt Service Fund |
| REVENUES: | | | | |
| Fines and forfeitures | \$ - | \$ - | \$ - | \$ - |
| Use of money and property | 168 | 16 | - | 1 |
| Intergovernmental revenues | - | - | 24,674 | - |
| Program income | - | - | - | - |
| Other revenues | 231 | 174 | - | - |
| Total revenues | 399 | 190 | 24,674 | 1 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Streets | - | - | - | - |
| Community development | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | 40,216 |
| Interest and fiscal charges | - | - | - | 40,188 |
| Total expenditures | - | - | - | 80,404 |
| REVENUES OVER (UNDER) EXPENDITURES | 399 | 190 | 24,674 | (80,403) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | 146,209 |
| Transfers out | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - |
| Total other financing sources (uses) | - | - | - | 146,209 |
| Net change in fund balances | 399 | 190 | 24,674 | 65,806 |
| FUND BALANCES: | | | | |
| Beginning of year | 77,396 | 7,275 | - | 38,555 |
| End of year | \$ 77,795 | \$ 7,465 | \$ 24,674 | \$ 104,361 |

| Capital Projects Fund | | | Total |
|---|--|-----------------------------|------------------------------------|
| Prop 1B Local Streets and Road Fund | 2010 Federal ARRA Rehab Project Fund | Sierra Park Project Fund | Non-Major Governmental Funds |
| \$ - | \$ - | \$ - | \$ 10,533 |
| - | - | - | 1,608 |
| - | 156,372 | 72,679 | 857,933 |
| - | - | - | 11,175 |
| - | - | - | 30,196 |
| - | 156,372 | 72,679 | 911,445 |
| - | - | - | 114,233 |
| 40,270 | - | - | 689,781 |
| - | - | 81,892 | 81,892 |
| - | - | - | 58,218 |
| - | - | - | 40,216 |
| - | - | - | 40,308 |
| 40,270 | - | 81,892 | 1,024,648 |
| (40,270) | 156,372 | (9,213) | (113,203) |
| - | - | - | 163,537 |
| - | - | - | - |
| - | - | - | 16,356 |
| - | - | - | 179,893 |
| (40,270) | 156,372 | (9,213) | 66,690 |
| 109,379 | (156,372) | 159,748 | 1,477,076 |
| \$ 69,109 | \$ - | \$ 150,535 | \$ 1,543,766 |

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City of Susanville

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

Local Law Enforcement Block Grant Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|--------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 88 | \$ 47 | \$ (41) |
| Intergovernmental revenue | 100,000 | 100,000 | 80,589 | (19,411) |
| Total revenues | 100,000 | 100,088 | 80,636 | (19,452) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety: | 112,711 | 112,711 | 114,233 | (1,522) |
| Total expenditures | 112,711 | 112,711 | 114,233 | (1,522) |
| Net change in fund balance | \$ (12,711) | \$ (12,623) | (33,597) | \$ (20,974) |
| FUND BALANCE: | | | | |
| Beginning of year | | | 69,894 | |
| End of year | | | \$ 36,297 | |

City of Susanville

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

Gas Tax Fund

For the year ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|---------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 100 | \$ - | \$ (100) |
| Intergovernmental | 631,829 | 631,829 | 523,619 | (108,210) |
| Other revenues | - | 157 | 158 | 1 |
| Total revenues | 631,829 | 632,086 | 523,777 | (108,309) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Streets | 753,674 | 794,981 | 649,511 | 145,470 |
| Capital outlay | - | 15,000 | 640 | 14,360 |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | 120 | (120) |
| Total expenditures | 753,674 | 809,981 | 650,271 | 159,710 |
| REVENUES OVER (UNDER) EXPENDITURES | (121,845) | (177,895) | (126,494) | 51,401 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 37,330 | 37,330 | 17,328 | (20,002) |
| Total other financing sources (uses) | 37,330 | 37,330 | 17,328 | (20,002) |
| Net change in fund balance | \$ (84,515) | \$ (140,565) | (109,166) | \$ 31,399 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 491,370 | |
| End of year | | | \$ 382,204 | |

City of Susanville

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

Street Mitigation Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 117 | \$ 59 | \$ (58) |
| Other revenues | 13,800 | 13,800 | 7,941 | (5,859) |
| Total revenues | 13,800 | 13,917 | 8,000 | (5,917) |
| REVENUES OVER (UNDER) EXPENDITURES | 13,800 | 13,917 | 8,000 | (5,917) |
| OTHER FINANCING SOURCES: | | | | |
| Transfers out | (20,000) | (20,000) | - | 20,000 |
| Total other financing sources (uses) | (20,000) | (20,000) | - | 20,000 |
| Net change in fund balance | \$ 33,800 | \$ 33,917 | 8,000 | \$ 14,083 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 35,187 | |
| End of year | | | \$ 43,187 | |

City of Susanville

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

Police Mitigation Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 163 | \$ 110 | \$ (53) |
| Other revenues | 17,350 | 17,350 | 10,271 | (7,079) |
| Total revenues | 17,350 | 17,513 | 10,381 | (7,132) |
| EXPENDITURES: | | | | |
| Capital outlay | 42,751 | 37,751 | 36,348 | 1,403 |
| Total expenditures | 42,751 | 37,751 | 36,348 | 1,403 |
| REVENUES OVER (UNDER) EXPENDITURES | (25,401) | (20,238) | (25,967) | (5,729) |
| OTHER FINANCING SOURCES: | | | | |
| Proceeds from sale of capital assets | - | 3,400 | 3,400 | - |
| Net change in fund balance | \$ (25,401) | \$ (16,838) | (22,567) | \$ (5,729) |
| FUND BALANCE: | | | | |
| Beginning of year | | | 59,679 | |
| End of year | | | \$ 37,112 | |

City of Susanville
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fire Mitigation Fund
For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 244 | \$ 118 | \$ (126) |
| Other revenues | 15,150 | 15,150 | 10,802 | (4,348) |
| Total revenues | 15,150 | 15,394 | 10,920 | (4,474) |
| EXPENDITURES: | | | | |
| Capital outlay | 73,500 | 17,323 | 15,000 | 2,323 |
| Total expenditures | 73,500 | 17,323 | 15,000 | 2,323 |
| REVENUE OVER (UNDER) EXPENDITURES | (58,350) | (1,929) | (4,080) | (2,151) |
| OTHER FINANCING SOURCES: | | | | |
| Proceeds from sale of capital assets | 25,000 | 15,000 | 12,956 | (2,044) |
| Total other financing sources | 25,000 | 15,000 | 12,956 | (2,044) |
| Net change in fund balance | \$ (33,350) | \$ 13,071 | 8,876 | \$ (4,195) |
| FUND BALANCE: | | | | |
| Beginning of year | | | 82,765 | |
| End of year | | | \$ 91,641 | |

City of Susanville

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

Park Land In-lieu Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|----------------|-----------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 359 | \$ 211 | \$ (148) |
| Other revenues | 850 | 850 | 572 | (278) |
| Total revenues | 850 | 1,209 | 783 | (426) |
| | | | | |
| Net change in fund balance | \$ 850 | \$ 1,209 | 783 | \$ (426) |
| | | | | |
| FUND BALANCE: | | | | |
| Beginning of year | | | 24,075 | |
| End of year | | | \$ 24,858 | |

City of Susanville

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

State Revolving Economic Development Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 690 | \$ 508 | \$ (182) |
| Program income | 13,322 | 13,322 | 11,175 | (2,147) |
| Total revenues | 13,322 | 14,012 | 11,683 | (2,329) |
| | | | | |
| Net change in fund balance | \$ 13,322 | \$ 14,012 | 11,683 | \$ (2,329) |
| | | | | |
| FUND BALANCE: | | | | |
| Beginning of year | | | 357,643 | |
| End of year | | | \$ 369,326 | |

City of Susanville

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

Traffic Safety Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|---------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Fines and forfeitures | \$ 8,000 | \$ 10,533 | \$ 10,533 | \$ - |
| Use of money and property | - | 333 | 277 | (56) |
| Total revenues | 8,000 | 10,866 | 10,810 | (56) |
| EXPENDITURES: | | | | |
| Capital outlay | 10,000 | 10,000 | 6,230 | 3,770 |
| Total expenditures | 10,000 | 10,000 | 6,230 | 3,770 |
| Net change in fund balance | \$ (2,000) | \$ 866 | 4,580 | \$ 3,714 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 76,874 | |
| End of year | | | \$ 81,454 | |

City of Susanville

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

Skyline Rt 139 Signal Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|----------------|---------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 55 | \$ 37 | \$ (18) |
| Other revenues | 100 | 100 | 47 | (53) |
| Total revenues | 100 | 155 | 84 | (71) |
| Net change in fund balance | \$ 100 | \$ 155 | 84 | \$ (71) |
| FUND BALANCE: | | | | |
| Beginning of year | | | 17,938 | |
| End of year | | | \$ 18,022 | |

City of Susanville

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

Skyline Numa Signal Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|----------------|---------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 236 | \$ 168 | \$ (68) |
| Other revenues | 500 | 500 | 231 | (269) |
| Total revenues | <u>500</u> | <u>736</u> | <u>399</u> | <u>(337)</u> |
| Net change in fund balance | <u>\$ 500</u> | <u>\$ 736</u> | <u>399</u> | <u>\$ (337)</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>77,396</u> | |
| End of year | | | <u>\$ 77,795</u> | |

City of Susanville

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

Skyline Bicycle Lane Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|----------------|---------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ 22 | \$ 16 | \$ (6) |
| Other revenues | 100 | 173 | 174 | 1 |
| Total revenues | <u>100</u> | <u>195</u> | <u>190</u> | <u>(5)</u> |
| Net change in fund balance | <u>\$ 100</u> | <u>\$ 195</u> | 190 | <u>\$ (5)</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>7,275</u> | |
| End of year | | | <u>\$ 7,465</u> | |

City of Susanville

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

State of California Prop 30 AB 109 Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|----------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ - | \$ 26,674 | \$ 24,674 | \$ (2,000) |
| Total revenues | - | 26,674 | 24,674 | (2,000) |
| | | | | |
| Net change in fund balance | \$ - | \$ 26,674 | 24,674 | \$ (2,000) |
| | | | | |
| FUND BALANCE: | | | | |
| Beginning of year | | | - | |
| End of year | | | \$ 24,674 | |

City of Susanville

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

City Hall Debt Service Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ 100 | \$ 100 | \$ 1 | \$ (99) |
| Total revenues | 100 | 100 | 1 | (99) |
| EXPENDITURES: | | | | |
| Debt service: | | | | |
| Principal | 99,156 | 40,216 | 40,216 | - |
| Interest and fiscal charges | 47,153 | 84,100 | 40,188 | 43,912 |
| Total expenditures | 146,309 | 124,316 | 80,404 | 43,912 |
| REVENUES OVER (UNDER) EXPENDITURES | (146,209) | (124,216) | (80,403) | 43,813 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 146,209 | 146,209 | 146,209 | - |
| Total other financing sources (uses) | 146,209 | 146,209 | 146,209 | - |
| Net change in fund balance | \$ - | \$ 21,993 | 65,806 | \$ 43,813 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 38,555 | |
| End of year | | | \$ 104,361 | |

City of Susanville

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

Prop 1B Local Streets and Road Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Streets | \$ 96,054 | \$ 96,054 | \$ 40,270 | \$ 55,784 |
| Total expenditures | 96,054 | 96,054 | 40,270 | 55,784 |
| Net change in fund balance | \$ 96,054 | \$ 96,054 | (40,270) | \$ 55,784 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 109,379 | |
| End of year | | | \$ 69,109 | |

City of Susanville

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

2010 Federal ARRA Rehab Project Fund

For the year ended June 30, 2013

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|----------------|-------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ - | \$ - | \$ 156,372 | \$ 156,372 |
| Total revenues | - | - | 156,372 | 156,372 |
| | | | | |
| Net change in fund balance | \$ - | \$ - | 156,372 | \$ 156,372 |
| | | | | |
| FUND BALANCE: | | | | |
| Beginning of year | | | (156,372) | |
| End of year | | | \$ - | |

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INTERNAL SERVICE FUNDS

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

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

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

City of Susanville
Combining Statement of Net Position
All Internal Service Funds
June 30, 2013

| | Public Works Administration Fund | Risk Management Fund | Retirement Benefits Fund | Total |
|---|--|----------------------------|--------------------------------|-------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 37,483 | \$ 431,962 | \$ 33,924 | \$ 503,369 |
| Accounts receivable | - | 188,230 | - | 188,230 |
| Interest receivable | 8 | 278 | - | 286 |
| Prepaid expenses | 1,313 | 2,535 | - | 3,848 |
| Total current assets | 38,804 | 623,005 | 33,924 | 695,733 |
| Noncurrent assets: | | | | |
| Advances to other funds | - | 235,436 | - | 235,436 |
| Total noncurrent assets | - | 235,436 | - | 235,436 |
| Total assets | 38,804 | 858,441 | 33,924 | 931,169 |
| LIABILITIES | | | | |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable | 2,651 | 439 | - | 3,090 |
| Accrued wages | 7,816 | - | - | 7,816 |
| Compensated absences - due within one year | 3,942 | - | - | 3,942 |
| Early retirement incentive - due within one year | - | - | 44,640 | 44,640 |
| Sick leave conversion payable - due within one year | - | - | 11,452 | 11,452 |
| Total current liabilities | 14,409 | 439 | 56,092 | 70,940 |
| Noncurrent liabilities: | | | | |
| Compensated absences - due in more than one year | 24,739 | - | - | 24,739 |
| Early retirement incentive - due in more than one year | - | - | 128,340 | 128,340 |
| Sick leave conversion payable - due in more than one year | - | - | 23,836 | 23,836 |
| Total noncurrent liabilities | 24,739 | - | 152,176 | 176,915 |
| Total liabilities | 39,148 | 439 | 208,268 | 247,855 |
| NET POSITION | | | | |
| Unrestricted | (344) | 858,002 | (174,344) | 683,314 |
| Total net position | \$ (344) | \$ 858,002 | \$ (174,344) | \$ 683,314 |

City of Susanville
Combining Statement of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
For the year ended June 30, 2013

| | Public Works Administration Fund | Risk Management Fund | Retirement Benefits Fund | Total |
|---|--|----------------------------|--------------------------------|----------------|
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 271,232 | \$ 543,855 | \$ - | \$ 815,087 |
| Total operating revenues | 271,232 | 543,855 | - | 815,087 |
| OPERATING EXPENSES: | | | | |
| Administration | 247,146 | 171,217 | - | 418,363 |
| Insurance costs and claims | 24,500 | 190,634 | - | 215,134 |
| Total operating expenses | 271,646 | 361,851 | - | 633,497 |
| OPERATING INCOME (LOSS) | (414) | 182,004 | - | 181,590 |
| NONOPERATING REVENUES EXPENSES: | | | | |
| Interest income | - | 5,806 | - | 5,806 |
| Total nonoperating revenues (expenses) | - | 5,806 | - | 5,806 |
| INCOME (LOSS) BEFORE TRANSFERS | (414) | 187,810 | - | 187,396 |
| Transfers in | - | - | 44,640 | 44,640 |
| Total transfers in (out) | - | - | 44,640 | 44,640 |
| Change in net position | (414) | 187,810 | 44,640 | 232,036 |
| NET POSITION: | | | | |
| Beginning of year | 70 | 670,192 | (218,984) | 451,278 |
| End of year | \$ (344) | \$ 858,002 | \$ (174,344) | \$ 683,314 |

City of Susanville
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2013

| | Public Works Administration Fund | Risk Management Fund | Retirement Benefits Fund | Total |
|---|--|----------------------------|--------------------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Receipts from city charges | \$ 271,259 | \$ 356,027 | \$ - | \$ 627,286 |
| Payment to suppliers and users | (26,013) | (192,793) | - | (218,806) |
| Payment to employees | (210,875) | (178,556) | (57,953) | (447,384) |
| Net cash provided by (used in) operating activities | 34,371 | (15,322) | (57,953) | (38,904) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Cash receipts from other funds | - | - | 44,640 | 44,640 |
| Cash payments to other funds | - | (6,615) | - | (6,615) |
| Net cash provided by (used in) noncapital financing activities | - | (6,615) | 44,640 | 38,025 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest income received | 2,516 | 8,510 | - | 11,026 |
| Net cash provided by investing activities | 2,516 | 8,510 | - | 11,026 |
| Net increase (decrease) in cash and cash equivalents | 36,887 | (13,427) | (13,313) | 10,147 |
| CASH AND CASH EQUIVALENTS: | | | | |
| Beginning of year | 596 | 445,389 | 47,237 | 493,222 |
| End of year | \$ 37,483 | \$ 431,962 | \$ 33,924 | \$ 503,369 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$ (414) | \$ 182,004 | \$ - | \$ 181,590 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | 27 | (187,828) | - | (187,801) |
| Prepaid expenses | (1,313) | (2,535) | - | (3,848) |
| Accounts payable | (200) | 376 | - | 176 |
| Accrued wages | 7,590 | (7,339) | - | 251 |
| Compensated absences | 28,681 | - | - | 28,681 |
| Early retirement incentive | - | - | (46,500) | (46,500) |
| Sick leave conversion payable | - | - | (11,453) | (11,453) |
| Total adjustments | 34,785 | (197,326) | (57,953) | (220,494) |
| Net cash provided by (used in) operating activities | \$ 34,371 | \$ (15,322) | \$ (57,953) | \$ (38,904) |

FIDUCIARY FUNDS

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

LAFCO Fund , accounts for agency activities for LAFCO.

HUSA Business Improvement Fund accounts for agency activities for HUSA.

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

City of Susanville
Agency Funds
Combining Statement of Changes in Assets and Liabilities
June 30, 2013

| | Balance July 1, 2012 | Additions | Deletions | Balance June 30, 2013 |
|---------------------------------------|-------------------------|-------------------|--------------------|--------------------------|
| Section 125 Aflac/Wageworks | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 721 | \$ - | \$ (721) | \$ - |
| Total Assets | <u>\$ 721</u> | <u>\$ -</u> | <u>\$ (721)</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Deposits payable | \$ 721 | \$ - | \$ (721) | \$ - |
| Total Liabilities | <u>\$ 721</u> | <u>\$ -</u> | <u>\$ (721)</u> | <u>\$ -</u> |
| LAFCO Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 29,931 | \$ 52,078 | \$ (55,365) | \$ 26,644 |
| Interest receivable | 30 | 21 | (30) | 21 |
| Total Assets | <u>\$ 29,961</u> | <u>\$ 52,099</u> | <u>\$ (55,395)</u> | <u>\$ 26,665</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 7,925 | \$ - | \$ (7,925) | \$ - |
| Deposits payable | 22,036 | 52,099 | (47,470) | 26,665 |
| Total Liabilities | <u>\$ 29,961</u> | <u>\$ 52,099</u> | <u>\$ (55,395)</u> | <u>\$ 26,665</u> |
| HUSA Business Improvement Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 2,048 | \$ 777 | \$ (814) | \$ 2,011 |
| Accounts receivable | 5,862 | - | (25) | 5,837 |
| Total Assets | <u>\$ 7,910</u> | <u>\$ 777</u> | <u>\$ (839)</u> | <u>\$ 7,848</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 814 | \$ - | \$ (814) | \$ - |
| Deposits payable | 7,096 | 752 | - | 7,848 |
| Total Liabilities | <u>\$ 7,910</u> | <u>\$ 752</u> | <u>\$ (814)</u> | <u>\$ 7,848</u> |
| Air Pollution District Fund | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 339,275 | \$ 258,810 | \$ (4,134) | \$ 593,951 |
| Accounts receivable | 17,919 | 8,920 | - | 26,839 |
| Interest receivable | 300 | 413 | (300) | 413 |
| Prepaid expenses | 425 | - | (425) | - |
| Total Assets | <u>\$ 357,919</u> | <u>\$ 268,143</u> | <u>\$ (4,859)</u> | <u>\$ 621,203</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ - | \$ 2,817 | \$ - | \$ 2,817 |
| Deposits payable | 354,311 | 258,810 | - | 613,121 |
| Compensated absences | 3,608 | 5,265 | (3,608) | 5,265 |
| Total Liabilities | <u>\$ 357,919</u> | <u>\$ 266,892</u> | <u>\$ (3,608)</u> | <u>\$ 618,386</u> |

| Total Agency Funds | | | | | | | | |
|---------------------------|-----------|----------------|-----------|----------------|-----------|-----------------|-----------|----------------|
| ASSETS | | | | | | | | |
| Cash and investments | \$ | 371,975 | \$ | 311,665 | \$ | (61,034) | \$ | 622,606 |
| Accounts receivable | | 23,781 | | 8,920 | | (25) | | 32,676 |
| Interest receivable | | 330 | | 434 | | (330) | | 434 |
| Prepaid expenses | | 425 | | - | | (425) | | - |
| Total Assets | \$ | 396,511 | \$ | 321,019 | \$ | (61,814) | \$ | 655,716 |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ | 8,739 | \$ | 2,817 | \$ | (8,739) | \$ | 2,817 |
| Deposits payable | | 384,164 | | 311,661 | | (48,191) | | 647,634 |
| Compensated absences | | 3,608 | | 5,265 | | (3,608) | | 5,265 |
| Total Liabilities | \$ | 396,511 | \$ | 319,743 | \$ | (60,538) | \$ | 655,716 |

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Statistical Section

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

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

Source: City of Susanville's audited financial statements

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

| | Fiscal Year | | | | | |
|----|-------------|----------------|----------------|---------------|----------------|---------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| \$ | 2,274,687 | \$ 2,062,283 | \$ 1,849,411 | \$ 1,829,076 | \$ 2,308,372 | \$ 2,012,346 |
| | 1,780,484 | 1,547,711 | 1,568,520 | 1,498,398 | 4,528,631 | 4,087,019 |
| | 5,396,427 | 5,607,906 | 5,810,858 | 5,908,797 | 2,409,681 | 2,510,650 |
| \$ | 9,451,598 | \$ 9,217,900 | \$ 9,228,789 | \$ 9,236,271 | \$ 9,246,684 | \$ 8,610,015 |
| \$ | (2,285,127) | \$ (1,804,335) | \$ (2,877,539) | \$ (990,783) | \$ (2,692,970) | \$ (488,623) |
| | 2,864,661 | 2,864,798 | 2,864,195 | 2,287,718 | 2,289,356 | 2,446,070 |
| | 2,044,780 | 2,269,768 | 3,649,199 | 3,672,627 | 6,180,214 | 5,049,590 |
| \$ | 2,624,314 | \$ 3,330,231 | \$ 3,635,855 | \$ 4,969,562 | \$ 5,776,600 | \$ 7,007,037 |
| \$ | (10,440) | \$ 257,948 | \$ (1,028,128) | \$ 838,293 | \$ (384,598) | \$ 1,523,723 |
| | 4,645,145 | 4,412,509 | 4,432,715 | 3,786,116 | 6,817,987 | 6,533,089 |
| | 7,441,207 | 7,877,674 | 9,460,057 | 9,581,424 | 8,589,895 | 7,560,240 |
| \$ | 12,075,912 | \$ 12,548,131 | \$ 12,864,644 | \$ 14,205,833 | \$ 15,023,284 | \$ 15,617,052 |

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

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

| Fiscal Year | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| \$816,839 | \$1,228,083 | \$1,094,945 | \$1,149,706 | \$1,105,539 | \$787,118 |
| 3,696,206 | 3,479,617 | 3,517,162 | 3,461,796 | 3,371,428 | 3,249,421 |
| 1,427,687 | 935,540 | 963,197 | 1,240,131 | 839,484 | 2,580,926 |
| 244,966 | 235,270 | 210,793 | 239,869 | 203,416 | 214,070 |
| 325,669 | 288,355 | 255,316 | 255,719 | 242,259 | 240,801 |
| 462,648 | 416,103 | 149,961 | 106,432 | 214,604 | 405,626 |
| 194,800 | 186,060 | 175,910 | 166,008 | 288,284 | 116,906 |
| 7,168,815 | 6,769,028 | 6,367,284 | 6,619,661 | 6,265,014 | 7,594,868 |
| - | - | - | - | - | - |
| 166,609 | 189,488 | 171,886 | 227,608 | 248,776 | 236,959 |
| 2,145,401 | 2,396,179 | 2,126,843 | 1,997,499 | 1,976,560 | 2,041,448 |
| 63,868 | 55,889 | 52,561 | 67,755 | 47,435 | 48,214 |
| 4,941,853 | 4,924,613 | 4,557,201 | 4,341,673 | 4,093,592 | 4,052,356 |
| - | - | - | - | - | - |
| 118,160 | 144,912 | 120,890 | 93,502 | - | - |
| 99,865 | 112,179 | 136,267 | 311,089 | 442,571 | 429,898 |
| 7,535,756 | 7,823,260 | 7,165,648 | 7,039,126 | 6,808,934 | 6,808,875 |
| \$14,704,571 | \$14,592,288 | \$13,532,932 | \$13,658,787 | \$13,073,948 | \$14,403,743 |
| \$27,937 | \$132,822 | \$155,256 | \$303,864 | \$487,912 | \$12,830 |
| 121,247 | 137,948 | 172,430 | 201,942 | 127,275 | 68,428 |
| - | 36,417 | 49,047 | 61,704 | 86,309 | 436 |
| - | 31,433 | 9,491 | 8,749 | 1,761 | 75,200 |
| 8,931 | 18,526 | 22,472 | 20,461 | 24,152 | 99,123 |
| 176,485 | 100,443 | 94,344 | 86,654 | 95,094 | 33,288 |
| 1,178,902 | 1,183,468 | 748,635 | 741,230 | 799,904 | 994,075 |
| 1,098,653 | 98,210 | 162,515 | 600,507 | 155,084 | 1,736,845 |
| 2,612,155 | 1,739,267 | 1,414,190 | 2,025,111 | 1,777,491 | 3,020,225 |
| - | - | - | - | - | - |
| 52,477 | 58,097 | 58,284 | 70,632 | 70,075 | 78,488 |
| 2,049,605 | 2,424,802 | 2,315,996 | 2,271,480 | 2,358,189 | 2,335,499 |
| 69,389 | 69,391 | 69,783 | 100,728 | 92,731 | 92,732 |
| 4,650,665 | 4,271,575 | 4,723,849 | 4,667,746 | 4,431,883 | 4,499,718 |
| - | - | - | - | - | - |
| 107,890 | 76,875 | 60,676 | 39,895 | - | - |
| - | - | - | 182,573 | 318,888 | 314,274 |
| 439,104 | 10,000 | - | - | - | 38,574 |
| 1,672,609 | 1,490,068 | 29,175 | 24,176 | 154,941 | 99,685 |
| 9,041,739 | 8,400,808 | 7,257,763 | 7,357,230 | 7,426,707 | 7,458,970 |
| \$11,653,894 | \$10,140,075 | \$8,671,953 | \$9,382,341 | \$9,204,198 | \$10,479,195 |

(Schedule 2 continued)

| | | | |
|--------------------------------------|----------------------|----------------------|----------------------|
| Net (Expense)/Revenue | | | |
| Governmental activities | (\$3,705,057) | (\$4,747,856) | (\$4,674,888) |
| Business-type activities | (815,825) | (1,236,637) | (681,083) |
| Total primary government net expense | <u>(\$4,520,882)</u> | <u>(\$5,984,493)</u> | <u>(\$5,355,971)</u> |

General Revenues and Other Changes in Net Position

Governmental activities:

| | | | |
|---|----------------------|--------------------|------------------|
| Taxes | | | |
| Property taxes | \$717,840 | \$746,508 | \$884,863 |
| Sales taxes | 1,605,629 | 1,516,274 | 1,263,661 |
| Transient Lodging Taxes | 354,338 | 462,246 | 465,369 |
| Franchise taxes | 47,608 | 45,275 | 39,161 |
| Business license taxes | 205,664 | 233,690 | 276,044 |
| Other taxes | 163,305 | 326,140 | 330,685 |
| Property tax in lieu of VLF, unrestricted | - | 988,907 | 1,138,723 |
| Property tax in lieu of sales tax, unrestricted | - | 308,668 | 417,836 |
| Use of Money and Property | 45,068 | 351,453 | 227,236 |
| Gain (loss) on sale of capital assets | - | - | - |
| Miscellaneous revenues | - | 277,911 | 227,752 |
| Transfers | 760,288 | (239,569) | 5,000 |
| Total governmental activities | <u>3,899,740</u> | <u>5,017,503</u> | <u>5,276,330</u> |
| Business-type activities: | | | |
| Use of Money and Property | 42,627 | 184,777 | 142,518 |
| Gain on sale of capital assets | - | - | - |
| Miscellaneous revenues | - | - | - |
| Transfers | (760,288) | 239,569 | (5,000) |
| Total business-type activities | <u>(717,661)</u> | <u>424,346</u> | <u>137,518</u> |
| Total primary government | <u>3,182,079</u> | <u>5,441,849</u> | <u>5,413,848</u> |
| Change in Net Position | | | |
| Governmental activities | 194,683 | 269,647 | 601,442 |
| Business-type activities | (1,533,486) | (812,291) | (543,565) |
| Total primary government | <u>(\$1,338,803)</u> | <u>(\$542,644)</u> | <u>\$57,877</u> |

Source: City of Susanville's audited financial statements

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

(Schedule 2 continued)

| | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| (\$4,597,862) | (\$4,556,660) | (\$5,029,761) | (\$4,953,094) | (\$4,594,550) | (\$4,487,523) | (\$4,574,643) |
| 25,947 | 1,505,983 | 577,548 | 92,115 | 318,104 | 617,773 | 650,095 |
| <u>(\$4,571,915)</u> | <u>(\$3,050,677)</u> | <u>(\$4,452,213)</u> | <u>(\$4,860,979)</u> | <u>(\$4,276,446)</u> | <u>(\$3,869,750)</u> | <u>(\$3,924,548)</u> |
| \$906,170 | \$924,914 | \$913,055 | \$829,452 | \$824,578 | \$757,463 | \$859,457 |
| 1,398,022 | 1,326,767 | 1,193,085 | 1,076,014 | 1,081,602 | 1,161,677 | 1,162,834 |
| 523,774 | 517,214 | 405,860 | 380,354 | 366,382 | 391,546 | 379,119 |
| 48,027 | 55,428 | 45,197 | 48,855 | 60,840 | 49,988 | 24,493 |
| 240,592 | 247,732 | 235,283 | 231,796 | 227,101 | 220,339 | 226,004 |
| 36,479 | 246,035 | 70,723 | 188,948 | 105,350 | 79,625 | 45,175 |
| 1,256,457 | 1,396,408 | 1,488,666 | 298,882 | 409,887 | 304,260 | 428,017 |
| 506,153 | 419,193 | 474,943 | 1,523,051 | 1,461,838 | 1,407,887 | 1,362,579 |
| 161,206 | 163,501 | (35,749) | 29,896 | 28,872 | 61,101 | 12,535 |
| - | (6,491) | - | - | - | - | - |
| 42,099 | 100,101 | - | 351,735 | 142,288 | 59,050 | - |
| <u>(29,920)</u> | <u>5,000</u> | <u>5,000</u> | <u>5,000</u> | <u>(375,069)</u> | <u>5,000</u> | <u>(562,239)</u> |
| <u>5,089,059</u> | <u>5,395,802</u> | <u>4,796,063</u> | <u>4,963,983</u> | <u>4,333,669</u> | <u>4,497,936</u> | <u>3,937,974</u> |
| 189,756 | 282,717 | 120,656 | 27,132 | 25,297 | 21,743 | 18,103 |
| 3,637 | 17,982 | - | - | - | - | - |
| 5,083 | 1,512 | 12,713 | 42,542 | 20,098 | 276,346 | - |
| <u>29,920</u> | <u>(5,000)</u> | <u>(5,000)</u> | <u>(5,000)</u> | <u>375,069</u> | <u>(5,000)</u> | <u>562,239</u> |
| <u>228,396</u> | <u>297,211</u> | <u>128,369</u> | <u>64,674</u> | <u>420,464</u> | <u>293,089</u> | <u>580,342</u> |
| <u>5,317,455</u> | <u>5,693,013</u> | <u>4,924,432</u> | <u>5,028,657</u> | <u>4,754,133</u> | <u>4,791,025</u> | <u>4,518,316</u> |
| 491,197 | 839,142 | (233,698) | 10,889 | (260,881) | 10,413 | (636,669) |
| 254,343 | 1,803,194 | 705,917 | 156,789 | 738,568 | 910,862 | 1,230,437 |
| <u>\$745,540</u> | <u>\$2,642,336</u> | <u>\$472,219</u> | <u>\$167,678</u> | <u>\$477,687</u> | <u>\$921,275</u> | <u>\$593,768</u> |

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

| | Fiscal Year | | | |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2004 | 2005 | 2006 | 2007 |
| General Fund | | | | |
| Reserved | \$83,392 | \$102,413 | \$305,858 | \$370,296 |
| Unreserved | 711,771 | 844,902 | 971,144 | 1,281,067 |
| 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> |
| All Other Governmental Funds | | | | |
| Reserved | 574,208 | 420,365 | 688,726 | 399,192 |
| Unreserved, reported in: | | | | |
| Special revenue funds | 753,032 | 589,990 | 501,016 | 566,069 |
| Capital projects funds | 503,734 | 281,564 | 13,370 | 275,168 |
| Debt Service Funds | (178,461) | 1,657,994 | 1,620,694 | 1,712,950 |
| 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> |

Source: City of Susanville's audited financial statements

| Fiscal Year | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| \$418,932 | \$434,141 | \$441,654 | - | - | - |
| 1,608,564 | 1,838,236 | 2,010,551 | - | - | - |
| - | - | - | 550,746 | 270,650 | 286,411 |
| - | - | - | 17,931 | 18,011 | - |
| - | - | - | 123,142 | - | - |
| - | - | - | 13,776 | 25,212 | 14,776 |
| - | - | - | 1,537,145 | 1,837,349 | 1,846,833 |
| 2,027,496 | 2,272,377 | 2,452,205 | 2,242,740 | 2,151,222 | 2,148,020 |
| 382,257 | 508,891 | 511,888 | - | - | - |
| 1,108,885 | 811,082 | 870,418 | - | - | - |
| 289,433 | 309,930 | 148,527 | - | - | - |
| 1,840,120 | 1,604,737 | 1,622,026 | - | - | - |
| - | - | - | - | - | 742 |
| - | - | - | 3,836,585 | 2,934,499 | 3,130,806 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | (736,872) | (156,372) | (478,663) |
| \$3,620,695 | \$3,234,640 | \$3,152,859 | \$3,099,713 | \$2,778,127 | \$2,652,885 |

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

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

Source: City of Susanville's audited financial statements

| | Fiscal Year | | | | |
|-------------|-------------|-------------|-------------|-------------|--|
| 2009 | 2010 | 2011 | 2012 | 2012 | |
| \$4,591,529 | \$4,345,556 | \$4,537,578 | \$4,372,785 | \$4,498,960 | |
| 103,413 | 100,231 | 92,956 | 100,385 | 74,183 | |
| 47,614 | 34,400 | 26,667 | 20,246 | 31,203 | |
| (45,822) | 26,242 | 17,202 | 11,477 | 27,504 | |
| 1,157,971 | 812,150 | 1,299,139 | 990,261 | 2,722,868 | |
| 53,969 | 67,644 | 60,693 | 36,831 | 50,400 | |
| 308,690 | 331,481 | 98,356 | 76,106 | 66,244 | |
| 356,862 | 719,459 | 602,319 | 651,310 | 43,270 | |
| <hr/> | | | | | |
| 6,574,226 | 6,437,163 | 6,734,910 | 6,259,401 | 7,514,632 | |
| <hr/> | | | | | |
| 996,337 | 969,963 | 944,718 | 661,910 | 605,024 | |
| 3,379,768 | 3,417,876 | 3,359,711 | 3,286,106 | 3,247,121 | |
| 912,577 | 948,044 | 1,224,596 | 816,587 | 2,663,852 | |
| 234,303 | 209,633 | 238,709 | 202,256 | 218,394 | |
| 219,456 | 193,714 | 193,759 | 181,416 | 185,481 | |
| 475,789 | 265,687 | 247,892 | 214,604 | 311,528 | |
| 184,642 | 25,910 | 106,003 | 200,718 | 83,207 | |
| 135,000 | 140,000 | 145,000 | 160,000 | 135,216 | |
| 182,529 | 173,289 | 162,064 | 154,957 | 94,110 | |
| - | - | - | 86,454 | - | |
| <hr/> | | | | | |
| 6,720,400 | 6,344,115 | 6,622,451 | 5,965,008 | 7,543,933 | |
| <hr/> | | | | | |
| (146,174) | 93,047 | 112,458 | 294,392 | (29,301) | |
| <hr/> | | | | | |
| - | - | - | - | - | |
| 883,648 | 492,437 | 358,322 | 1,083,137 | 168,537 | |
| (878,648) | (487,437) | (733,391) | (1,093,137) | (775,416) | |
| - | - | - | (1,787,682) | - | |
| - | - | - | - | 16,356 | |
| - | - | - | 1,581,555 | - | |
| <hr/> | | | | | |
| 5,000 | 5,000 | (375,069) | (216,127) | (590,523) | |
| <hr/> | | | | | |
| (141,174) | 98,047 | (262,611) | 78,266 | (619,823) | |
| <hr/> | | | | | |
| 4.9% | 5.0% | 4.7% | 7.0% | 3.1% | |

Schedule 5
City of Susanville
Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten 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> |
|--------------------|----------------|----------------|------------------|-----------------------------|-------------------------------------|------------------------------|
| 2004 | \$375,828,965 | \$207,787 | \$25,279,665 | \$12,003,306 | \$389,313,111 | 1.0000 |
| 2005 | \$399,569,372 | \$206,940 | \$25,966,041 | \$12,284,799 | \$413,457,554 | 1.0000 |
| 2006 | \$435,313,349 | \$206,482 | \$26,084,788 | \$12,428,869 | \$449,175,750 | 1.0000 |
| 2007 | \$484,139,014 | \$13,587 | \$26,234,905 | \$12,657,141 | \$497,730,365 | 1.0000 |
| 2008 | \$532,562,134 | \$12,621 | \$24,895,905 | \$12,659,754 | \$544,810,906 | 1.0000 |
| 2009 | \$568,493,249 | \$12,420 | \$26,872,204 | \$12,432,005 | \$582,945,868 | 1.0000 |
| 2010 | \$578,912,881 | \$12,420 | \$30,360,571 | \$12,561,467 | \$596,724,405 | 1.0000 |
| 2011 | \$557,198,947 | \$12,420 | \$27,185,570 | \$12,331,805 | \$572,065,132 | 1.0000 |
| 2012 | \$538,897,975 | \$12,420 | \$23,844,638 | \$12,071,824 | \$550,683,209 | 1.0000 |
| 2013 | \$521,207,925 | \$41,856 | \$23,462,897 | \$11,615,402 | \$533,097,276 | 1.0000 |

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 Fourteen 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 | | | | 1.0000 |
| 2010 | 1.0000 | | 0.0279 | | 1.0279 |
| 2011 | 1.0000 | | 0.0264 | | 1.0264 |
| 2012 | 1.0000 | | 0.0268 | | 1.0268 |
| 2013 | 1.0000 | | 0.0288 | | 1.0288 |

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>2013</u> | | <u>2004(b)</u> | |
|------------------------------------|------------------------|------|---|-------------------------|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value (a) | Information Unavailable |
| Wal-Mart | 11,296,903 | 1 | 2.05% | |
| Rassier-Mariani | 10,204,027 | 2 | 1.85% | |
| Triple E Investment Co. Inc. | 7,856,334 | 3 | 1.43% | |
| Susanville Limited Partnership | 6,846,208 | 4 | 1.24% | |
| Foxdale Associates LTD (Walgreens) | 6,280,769 | 5 | 1.14% | |
| Lassen Station LP | 4,360,865 | 6 | 0.79% | |
| Susanville Citrus Manor | 4,355,889 | 7 | 0.79% | |
| Trav-Cor & Investment Inc | 3,951,136 | 8 | 0.72% | |
| Tritex Real Estate | 3,618,635 | 9 | 0.66% | |
| Standiford, Larry & Reta | 3,366,706 | 10 | 0.61% | |
| Total | <u>\$62,137,472</u> | | <u>11.28%</u> | |

Source:
 Lassen County Assessors Office

Notes:
 (a) For total taxable assessed value, see schedule 5.
 (b) Information for 9 years ago unavailable, but will be accumulated over time as it becomes available.

Schedule 8
City of Susanville
Property Tax Levies and Collections,
Last Eleven 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 | \$560,471 | 95.52% | \$29,938 | \$590,409 | 100.62% |
| 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% | \$49,919 | \$823,269 | 90.49% |
| 2011 | 21,394,891 | 0.04143931 | 0.95963029 | \$856,069 | \$774,719 | 90.50% | \$11,422 | \$786,141 | 91.83% |
| 2012 | 21,394,891 | 0.04141142 | 0.96529843 | \$861,126 | \$820,883 | 95.33% | \$30,972 | \$851,855 | 98.92% |
| 2013 | 20,794,398 | 0.04141142 | 0.96946497 | \$834,831 | \$749,821 | 89.82% | \$0 | \$828,698 | 99.27% |

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.

Schedule 9
City of Susanville
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | Business-type Activities | | | |
|-------------|------------------------------|----------------|------------------------------|-------------------------------|--------------------------|---------------|----------------------------------|--------------------|
| | General Obligation Bonds (7) | Capital Leases | Special Assessment Bonds (3) | Total Governmental Activities | Revenue Bonds (6) | Term Loan (4) | Certificate of Participation (6) | Capital Leases (5) |
| 2004 | 2,215,000 | 185,904 | 1,200,000 | 3,600,904 | 6,405,000 | 973,390 | 24,240,000 | 5,572 |
| 2005 | 2,155,000 | 87,798 | 1,145,000 | 3,387,798 | 9,610,000 | 963,000 | 24,240,000 | 4,669 |
| 2006 | 2,095,000 | 52,238 | 1,140,000 | 3,287,238 | 9,480,000 | 953,000 | 24,240,000 | 4,669 |
| 2007 | 2,035,000 | 19,549 | 1,080,000 | 3,134,549 | 9,345,000 | 943,000 | 24,240,000 | - |
| 2008 | 1,975,000 | - | 1,015,000 | 2,990,000 | 9,200,000 | 1,285,222 | 24,240,000 | - |
| 2009 | 1,910,000 | - | 945,000 | 2,855,000 | 9,050,000 | 1,306,123 | 24,240,000 | - |
| 2010 | 1,845,000 | - | 870,000 | 2,715,000 | 9,050,000 | 1,336,194 | 24,240,000 | 77,034 |
| 2011 | 1,780,000 | - | 790,000 | 2,570,000 | 34,860,000 | 1,321,967 | - | 58,608 |
| 2012 | - | 1,581,555 | 700,000 | 2,281,555 | 34,230,000 | 1,330,615 | - | 39,063 |
| 2013 | - | 1,541,339 | 600,000 | 2,141,339 | 33,900,000 | 1,329,587 | - | 18,297 |

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*

| Total Business-type Activities | Total Primary Government | Percentage of Property Values (1) | Per Capita (2) |
|--------------------------------------|--------------------------------|---|-------------------|
| 31,623,962 | 35,224,866 | 9.05% | 3,871 |
| 34,817,669 | 38,205,467 | 9.24% | 4,098 |
| 34,677,669 | 37,964,907 | 8.45% | 4,097 |
| 34,528,000 | 37,662,549 | 7.57% | 4,116 |
| 34,725,222 | 37,715,222 | 6.92% | 4,149 |
| 34,596,123 | 37,451,123 | 6.42% | 4,114 |
| 34,703,228 | 37,418,228 | 6.27% | 4,161 |
| 36,240,575 | 38,810,575 | 6.78% | 4,047 |
| 35,599,678 | 37,881,233 | 6.88% | 4,051 |
| 35,247,884 | 37,389,223 | 7.01% | 3,937 |

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

| | Fiscal Year | | | |
|---|---------------|---------------|---------------|---------------|
| | 2004 | 2005 | 2006 | 2007 |
| Assessed Valuation | \$389,313,111 | \$413,457,554 | \$449,175,750 | \$497,730,365 |
| Conversion Percentage | 25% | 25% | 25% | 25% |
| Adjusted Assessed Valuation | \$97,328,278 | \$103,364,389 | \$112,293,938 | \$124,432,591 |
| Debt Limit Percentage | 15% | 15% | 15% | 15% |
| Debt Limit | \$14,599,242 | \$15,504,658 | \$16,844,091 | \$18,664,889 |
| Total net debt applicable to limit | \$2,215,000 | \$2,155,000 | \$2,095,000 | \$2,035,000 |
| Legal debt margin | \$12,384,242 | \$13,349,658 | \$14,749,091 | \$16,629,889 |
| Total net debt applicable to the limit as a percentage of debt limit | 15.2% | 13.9% | 12.4% | 10.9% |

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.

| Fiscal Year | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| \$544,810,906 | \$582,945,868 | \$596,724,405 | \$572,065,132 | \$550,683,209 | \$533,097,276 |
| 25% | 25% | 25% | 25% | 25% | 25% |
| \$136,202,727 | \$145,736,467 | \$149,181,101 | \$143,016,283 | \$137,670,802 | \$133,274,319 |
| 15% | 15% | 15% | 15% | 15% | 15% |
| \$20,430,409 | \$21,860,470 | \$22,377,165 | \$21,452,442 | \$20,650,620 | \$19,991,148 |
| \$1,975,000 | \$1,910,000 | \$1,845,000 | \$1,780,000 | \$1,581,555 | \$1,541,339 |
| \$18,455,409 | \$19,950,470 | \$20,532,165 | \$19,672,442 | \$19,069,065 | \$18,449,809 |
| 9.7% | 8.7% | 8.2% | 8.3% | 7.7% | 7.7% |

Schedule 11
City of Susanville
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | General Bonded Debt Outstanding | | | Percentage of Actual Taxable Value of Property | Per Capita (a) |
|-------------|---------------------------------|----------------|-----------|--|----------------|
| | General Obligation Bonds | Capital Leases | Total | | |
| 2004 | 2,215,000 | 185,904 | 2,400,904 | 0.62% | 264 |
| 2005 | 2,155,000 | 87,798 | 2,242,798 | 0.54% | 241 |
| 2006 | 2,095,000 | 52,238 | 2,147,238 | 0.48% | 232 |
| 2007 | 2,035,000 | 19,549 | 2,054,549 | 0.41% | 225 |
| 2008 | 1,975,000 | - | 1,975,000 | 0.36% | 217 |
| 2009 | 1,910,000 | - | 1,910,000 | 0.33% | 210 |
| 2010 | 1,845,000 | - | 1,845,000 | 0.31% | 205 |
| 2011 | 1,780,000 | - | 1,780,000 | 0.31% | 186 |
| 2012 | - | 1,581,555 | 1,581,555 | 0.29% | 169 |
| 2013 | - | 1,541,339 | 1,541,339 | 0.29% | 162 |

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

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Schedule 12
City of Susanville
Pledged Revenue Coverage
Last Ten Fiscal Years

| Water Revenue Bonds | | | | | | |
|---------------------|--------------------------|--------------------------|-----------------------|--------------|------------|----------|
| Fiscal Year | Gross Income and Revenue | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 2004 | \$ 1,804,093 | \$ 1,088,017 | \$ 716,076 | \$ 115,000 | \$ 373,114 | 1.47 |
| 2005 | 2,327,816 | 1,338,483 | 989,333 | 134,440 | 503,440 | 1.54 |
| 2006 | 2,188,482 | 1,313,937 | 874,545 | 140,000 | 553,358 | 1.26 |
| 2007 | 2,255,916 | 1,333,562 | 922,354 | 145,000 | 547,213 | 1.33 |
| 2008 | 2,225,392 | 1,280,646 | 944,746 | 156,000 | 540,691 | 1.36 |
| 2009 | 2,514,097 | 1,531,625 | 982,472 | 161,000 | 532,967 | 1.42 |
| 2010 | 2,370,463 | 1,269,644 | 1,100,819 | 172,000 | 526,020 | 1.58 |
| 2011 | 2,296,647 | 1,274,530 | 1,022,117 | 355,000 | 282,626 | 1.60 |
| 2012 | 2,509,812 | 1,197,900 | 1,311,912 | 250,000 | 384,735 | 2.07 |
| 2013 | 2,345,393 | 1,246,419 | 1,098,974 | 255,000 | 382,235 | 1.72 |

| Natural Gas Revenue Bonds | | | | | | |
|---------------------------|--------------------------|--------------------------|-----------------------|--------------|--------------|----------|
| Fiscal Year | Gross Income and Revenue | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 2004 | \$ 1,749,040 | \$ 1,656,334 | \$ 92,706 | \$ - | \$ 1,414,075 | 0.07 |
| 2005 | 2,724,148 | 1,908,214 | 815,934 | - | 1,414,075 | 0.58 |
| 2006 | 4,264,151 | 2,920,251 | 1,343,900 | - | 1,414,075 | 0.95 |
| 2007 | 4,327,730 | 2,941,944 | 1,385,786 | - | 1,414,075 | 0.98 |
| 2008 | 4,650,665 | 3,010,223 | 1,640,442 | - | 1,414,075 | 1.16 |
| 2009 | 4,426,856 | 2,999,389 | 1,427,467 | - | 1,414,075 | 1.01 |
| 2010 | 4,728,040 | 2,622,739 | 2,105,301 | - | 1,414,075 | 1.49 |
| 2011 | 4,680,593 | 2,914,924 | 1,765,669 | - | 1,035,641 | 1.70 |
| 2012 | 4,570,796 | 2,164,607 | 2,406,189 | 25,000 | 1,417,565 | 1.67 |
| 2013 | 4,507,141 | 2,222,000 | 2,285,141 | 75,000 | 1,417,106 | 1.53 |

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 City new lease agreement with Compass bank and did not require any pledged revenues.

Miller /Fletcher Assessment Bonds

| Special (a) Assessment Collections | Debt Service | | |
|--|--------------|----------|----------|
| | Principal | Interest | Coverage |
| | 72,163 | 50,000 | 98,750 |
| 572,406 | 55,000 | 94,744 | 3.82 |
| 417,794 | 55,000 | 90,481 | 2.87 |
| 228,473 | 60,000 | 86,025 | 1.56 |
| 112,407 | 65,000 | 81,181 | 0.77 |
| 138,964 | 70,000 | 75,950 | 0.95 |
| 236,383 | 75,000 | 70,331 | 1.63 |
| 146,991 | 80,000 | 64,325 | 1.02 |
| 124,871 | 90,000 | 57,738 | 0.85 |
| 106,282 | 95,000 | 55,069 | 0.71 |

City Hall Improvement Lease (b)

| Vehicle License Fees | Property Tax In Lieu of VLF | Debt Service | | |
|----------------------------|-----------------------------------|--------------|----------|----------|
| | | Principal | Interest | Coverage |
| | | 952,051 | - | 55,000 |
| 120,328 | 988,907 | 60,000 | 106,605 | 6.66 |
| 174,072 | 1,138,723 | 60,000 | 105,015 | 7.96 |
| 116,605 | 1,256,457 | 60,000 | 103,215 | 8.41 |
| 83,753 | 1,396,408 | 60,000 | 101,265 | 9.18 |
| 63,206 | 1,488,666 | 65,000 | 99,043 | 9.46 |
| 54,597 | 1,523,051 | 65,000 | 96,573 | 9.76 |
| 85,151 | 1,461,838 | 65,000 | 94,005 | 9.73 |
| 9,022 | 1,407,887 | 70,000 | 91,235 | 8.79 |
| | | 40,216 | 40,747 | |

Schedule 13
City of Susanville and County of Lassen
Demographic and Economic Statistics
Last Fourteen 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 | 14.00% |
| 2011 | 9,591 | 7,963 | 17,554 | 34,577 | \$986,835,000 | \$28,855 | 11.60% |
| 2012 | 9,352 | 7,442 | 16,794 | 34,167 | n/a | n/a | 11.90% |
| 2013 | 9,496 | 6,482 | 15,978 | 33,422 | n/a | n/a | 12.40% |

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

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Schedule 14
 City of Susanville
 Principal Employers
 Current Year and Nine Years Ago

| Employer (c) | 2013 | | |
|--------------------------------|-----------|------|---|
| | Employees | Rank | Percentage of Total City Employment (a) |
| High Desert State Prison | 1269 | 1 | 26.06% |
| California Correctional Center | 1037 | 2 | 21.29% |
| Lassen County | 437 | 3 | 8.97% |
| Susanville Indian Rancheria | 307 | 5 | 6.30% |
| Banner Lassen Medical Center | 219 | 4 | 4.50% |
| Diamond Mountain Casino | 182 | 7 | 3.74% |
| Wal-Mart | 176 | 6 | 3.61% |
| Lassen Community College | 147 | 8 | 3.02% |
| Susanville School District | 103 | 9 | 2.11% |
| Countryvilla Riverview Rehab | 102 | 12 | 2.09% |
| Safeway | 95 | 10 | 1.95% |
| Lassen Union High School | 86 | 11 | 1.77% |
| Northeastern Rural Health | 85 | 13 | 1.75% |
| City of Susanville | 59 | 14 | 1.21% |
| Susanville Supermarket | 50 | 15 | 1.03% |
| | 4354 | | 89.40% |

Source:
 Employment Development Department, Lassen County Chamber of Commerce

Notes:
 (a) Total Labor Force for the City is 4870.
 (b) Information unavailable for past nine years, but will be accumulated over time as it becomes available.
 (c) Employers listed are within the city limits or have been annexed.

2004(b)

| <u>Employer</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment (a)</u> |
|-----------------|------------------|-------------|--|
|-----------------|------------------|-------------|--|

Information Unavailable

Schedule 15
 City of Susanville
 Full-time City Governmental Employees by Function/Program,
 Last Fourteen 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:
 A full-time employee is scheduled to work 2,080 hours per year.

| Fiscal Year | | | | |
|-------------|------|------|------|------|
| 2009 | 2010 | 2011 | 2012 | 2013 |
| 2.5 | 2.5 | 1.25 | 1.75 | 3.5 |
| 1.5 | 1.5 | 1 | 1 | 1.5 |
| 6 | 5 | 5 | 4.5 | 4 |
| 20 | 19 | 18 | 18 | 17 |
| 11 | 11 | 9 | 9 | 9 |
| 3 | 3 | 3.75 | 3.75 | 3 |
| 2 | 2 | 1 | 1 | 1 |
| 18 | 18 | 18 | 18 | 20 |
| 64 | 62 | 57 | 57 | 59 |

Schedule 16
City of Susanville
Operating Indicators by Function/Program,
Last Thirteen Fiscal Years

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

Sources:
Various City Departments

Notes:
City's Natural Gas Department began operating in 2002
1 MMBTU equals one million British thermal units

| Fiscal Year | | | | | |
|-------------|------|------|------|------|------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| 281 | 332 | 262 | 260 | 342 | 264 |
| 1152 | 1145 | 716 | 574 | 884 | 915 |
| 565 | 483 | 532 | 609 | 712 | 663 |
| 338 | 256 | 248 | 159 | 122 | 114 |
| 1180 | 790 | 834 | 564 | 432 | 469 |
| 1390 | 1467 | 1552 | 1586 | 770 | 784 |
| 94 | 67 | 81 | 51 | 46 | 47 |
| n/a | 201 | 252 | 200 | 44 | 47 |
| 2.30 | - | 1 | 1.2 | 1.21 | 2.2 |
| 172 | 168 | 159 | 280 | 187 | 147 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| -12 | 22 | - | - | - | - |
| 2123 | 3173 | 1931 | 1833 | 1949 | 2121 |
| 5308 | 5500 | 5500 | 3484 | 4258 | 3637 |
| 73 | 84 | 71 | 63 | 90 | 134 |
| 539 | 472 | 553 | 579 | 548 | 565 |
| 1099 | 980 | 887 | 913 | 1116 | 1403 |

Schedule 17
City of Susanville
Capital Asset Statistics by Function/Program
Last Thirteen Fiscal Years

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

Sources:
Various City departments

Notes:
Traffic Signals and Highways are owned and maintained 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.

| Fiscal Year | | | | | | |
|-------------|------|------|------|------|------|------|
| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 7 | 8 | 13 | 14 | 14 | 13 | 13 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 6 | 6 | 6 | 7 | 7 | 7 | 7 |
| 54 | 54 | 54 | 54 | 54 | 54 | 54 |
| - | - | - | - | - | - | - |
| 532 | 532 | 532 | 532 | 532 | 532 | 532 |
| - | - | - | - | - | - | - |
| 147 | 147 | 147 | 147 | 147 | 147 | 147 |
| 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| - | - | - | - | - | - | - |
| 65 | 65 | 65 | 65 | 65 | 65 | 65 |
| 403 | 403 | 410 | 414 | 414 | 414 | 414 |
| 4000 | 4000 | 4000 | 4000 | 4000 | 4000 | 4000 |
| 3709 | 3788 | 3797 | 3807 | 3800 | 3803 | 3803 |
| 59 | 59 | 59 | 60 | 61 | 61 | 61 |
| 2281 | 2462 | 2546 | 2630 | 2694 | 2785 | 2846 |

Schedule 18
 City of Susanville
 Water Department
 Water Sold by Type of Customer
 Last Ten Fiscal Years
 (In Millions of Gallons)

| | Fiscal Year | | | | |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 |
| Residential | 569.45 | 548.37 | 567.09 | 558.7 | 549.86 |
| Commercial | 245.6 | 216.2 | 209.1 | 214.91 | 205.6 |
| Total | 815.0 | 764.5 | 776.2 | 773.6 | 755.5 |
| Water Sales | \$1,796,393 | \$2,118,368 | \$2,046,516 | \$2,064,187 | \$2,049,605 |
| City Direct Rate Per Gallon | 0.0022 | 0.0028 | 0.0026 | 0.0027 | 0.0027 |

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.

| Fiscal Year | | | | |
|--------------------|-------------|-------------|-------------|-------------|
| 2009 | 2010 | 2011 | 2012 | 2013 |
| 541.7 | 514.31 | 478.38 | 519.60 | 548.43 |
| 206.75 | 190.50 | 190.24 | 191.80 | 225.28 |
| 748.5 | 704.8 | 668.6 | 711.4 | 773.7 |
| \$2,424,802 | \$2,315,996 | \$2,271,480 | \$2,358,189 | \$2,333,534 |
| 0.0032 | 0.0033 | 0.0034 | 0.0033 | 0.0030 |

Schedule 19
 City of Susanville
 Water Department
 Water Rates
 Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Monthly Base Rates | | 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 | ** | \$1.16 |
| 2010 | \$23.65 | ** | \$1.16 |
| 2011 | \$23.65 | ** | \$1.16 |
| 2012 | \$23.65 | ** | \$1.16 |
| 2013 | \$23.65 | ** | \$1.16 |

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.
 ** First 300 cubic feet now included in base rate.

Schedule 20
 City of Susanville
 Water Department
 Top Ten Water Customers
 Current Year and Nine Years Ago

| Water Customer | 2013 | | 2004(b) | |
|------------------------------------|-------------------|---------------------------------|-------------------------|---------------------------------|
| | Water Charges (a) | Percent of Total Water Revenues | Water Charges | Percent of Total Water Revenues |
| Lassen County | \$70,004.00 | 3.00% | Information Unavailable | |
| City of Susanville | \$36,102.00 | 1.55% | | |
| Lassen High School District | \$29,521.00 | 1.27% | | |
| Susanville Indian Rancheria/Casino | \$19,688.00 | 0.84% | | |
| Hidden Acres Mobile Home Park | \$18,486.00 | 0.79% | | |
| Diamond View School | \$15,867.00 | 0.68% | | |
| Meadowview Elementary School | \$15,553.00 | 0.67% | | |
| Citrus Manor Apartments | \$13,605.00 | 0.58% | | |
| Millview Apartments | \$10,158.00 | 0.44% | | |
| Mountain View Mobile Home Park | \$8,714.00 | 0.37% | | |
| | \$237,698.00 | 10.19% | | |

Source:
 City of Susanville Finance Department

Notes:
 (a) Total Water Revenue equals charges for services as found in schedule 2.
 (b) Ten years of information unavailable but will be accumulated as available.

Schedule 21
 City of Susanville
 Gas Department
 Gas Sold by Type of Customer
 Last Ten Fiscal Years
 (In Therms)

| | Fiscal Year | | | | |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 |
| Residential | 749,716 | 974,574 | 932,384 | 881,058 | 942,696 |
| Commercial | 548,769 | 730,538 | 941,029 | 943,663 | 1,024,591 |
| Total | 1,298,485 | 1,705,112 | 1,873,413 | 1,824,721 | 1,967,287 |
| Nat Gas Sales | \$1,749,040 | \$2,724,148 | \$4,264,151 | \$4,325,805 | \$4,650,665 |
| City Direct Rate per Therm | \$1.35 | \$1.60 | \$2.28 | \$2.37 | \$2.36 |

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
 Ten years of information unavailable but will be accumulated as available.

| Fiscal Year | | | | |
|--------------------|-------------|-------------|-------------|-------------|
| 2009 | 2010 | 2011 | 2012 | 2013 |
| 837,390 | 937,912 | 969,365 | 970,855 | 989,815 |
| 926,457 | 1,092,072 | 1,145,538 | 1,059,126 | 1,072,065 |
| 1,763,847 | 2,029,984 | 2,114,903 | 2,029,981 | 2,061,880 |
| \$4,271,575 | \$4,723,849 | \$4,667,746 | \$4,431,883 | \$4,499,459 |
| \$2.42 | \$2.33 | \$2.21 | \$2.18 | \$2.18 |

Schedule 22
 City of Susanville
 Gas Department
 Gas Rates
 Last Ten 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 | \$2.14 | (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 have 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)

1 Therm=100,000 BTUs

Schedule 23
 City of Susanville
 Gas Department
 Top Ten Gas Customers
 Current Year and Nine Years Ago

| Gas Customer | 2013 | | 2004 (b) | |
|---------------------------------|-----------------|-------------------------------|-------------------------|-------------------------------|
| | Gas Charges (a) | Percent of Total Gas Revenues | Gas Charges | Percent of Total Gas Revenues |
| Banner Lassen Hospital | \$276,428 | 6.14% | Information Unavailable | |
| Lassen Community College | \$217,012 | 4.82% | | |
| Lassen County | \$128,223 | 2.85% | | |
| Susanville Indian Rancheria | \$83,345 | 1.85% | | |
| Lassen High School/Credence | \$57,143 | 1.27% | | |
| Safeway | \$54,474 | 1.21% | | |
| Northeastern Rural Health | \$49,962 | 1.11% | | |
| McKinley School | \$43,349 | 0.96% | | |
| Meadowview Elementary | \$32,799 | 0.73% | | |
| California Division of Forestry | \$29,370 | 0.65% | | |
| | \$972,105 | 21.60% | | |

Source:
 City of Susanville Finance Department

Notes:
 (a) Total Gas Revenue equals charges for services as found in schedule 2.
 (b) Ten years of information unavailable but will be accumulated as available.

Reviewed by: ~~City Administrator~~
~~City Attorney~~

Motion only
 Public Hearing
 Resolution
 Ordinance
 Information

Submitted by: Craig C. Platt, Public Works Director

Action Date: January 15, 2014

CITY COUNCIL AGENDA ITEM

SUBJECT: Resolution No. 14-5023 Authorizing Well #4 Improvements

PRESENTED BY: Craig C. Platt, Public Works Director

SUMMARY: In May 2013 staff requested to have Water Well #4 pulled and rebuilt as the well has been in operation for over 25 years. The 60 horsepower turbine was to have the lower bearing replaced and motor tested, install new brass water lube spiders on the main shaft, and have the pump bowls rebuilt as needed.

The well was pulled at the end of the 2013 season and we found it to have more serious problems than just being able to do the general maintenance on the well as planned.

The bottom five sections of the main column will be replaced due to excessive corrosion, and sections of the stainless steel main drive shaft will also need to be replaced. The turbine seal on the main housing will be updated to replace the fiber seal to a water tight main shaft seal. The water bowls will also be replaced as they are obsolete and not re-buildable.

The original estimated cost approved by the City Council was \$9,500 (Project Number 13-506-00 Resolution no. 13-4945.) The additional repairs required to put Water Well #4 back in service are \$10,375 plus a 10% project contingency of \$1,988 for a total \$12,363.

The total cost to complete this project is estimated to not exceed \$21,863; Project Number 13-506-00.

FISCAL IMPACT: A total of \$12,363 to the Capital Improvement Project (CIP) Fund 7114

ACTION REQUESTED: Approve Resolution No. 14-5023 for the additional repair work required for Project Number 13-506-00 from the Water Capital Improvement (CIP) Fund 7114 and authorize the Finance Department to increase the CIP budget accordingly.

ATTACHMENTS: Resolution No. 14-5023
Resolution No. 13-4945

RESOLUTION NO. 14-5023
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
AMENDING THE FY 2013-2014 BUDGET FOR WATER FUND 7114

WHEREAS, the City Council of the City of Susanville created a restricted fund to improve the infrastructure of the City water system; and

WHEREAS, the City Public Works Department proposed a rehabilitation project to Water Well #4 identified as Capital Improvement Project Number 13-506-00; and

WHEREAS, the City Council of the City of Susanville approved Project Number 13-506-00 per Resolution No. 13-4945 authorizing Water Well #4 to be pulled and rebuilt; and

WHEREAS, it was determined that more extensive repairs were required and the cost to complete those repairs is estimated to be \$12,363 including a ten percent contingency.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Susanville hereby approves a budget amendment to increase expenses for Fund 7114 in the amount of \$12,363 for Water Capital Improvement (CIP) Project 13-506-00.

Dated: January 15, 2014

APPROVED: _____
Rod E. De Boer, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing resolution was adopted at a regular meeting of the City Council of the City of Susanville, held on the 15th day of January, 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: _____
Peter M. Talia, City Attorney

1
2 RESOLUTION NUMBER 13-4945
3 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
4 AMENDING THE 2012-13 BUDGET FOR THE WATER FUND

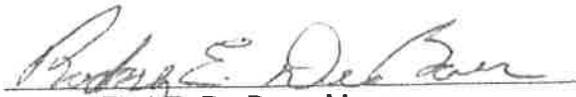
5 WHEREAS, the City Council of the City of Susanville has created a
6 restricted fund to improve the infrastructure of the City's aging water system; and

7 WHEREAS, the City Public Works Department has identified a need to
8 install Capital Improvement Project Number 13-506-00.

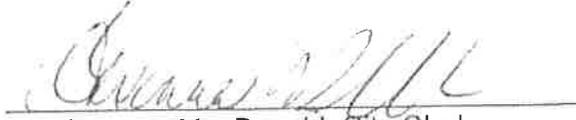
9 NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of
10 Susanville has hereby approved a budget amendment to increase expenses for
11 the Water Capital Improvement (CIP) Fund 7114 in the amount of \$9,500.

12 Dated: May 1, 2013

13 APPROVED:

14 
15 Rod E. De Boer, Mayor

16 ATTEST:

17 
18 Gwenna MacDonald, City Clerk

19 The foregoing resolution was adopted at a regular meeting of the City Council of
20 the City of Susanville, held on the 1st day of May, 2013 by the following vote:

21 AYES: Callegari, McDonald, McBride, Wilson and De Boer
22 NOES: None
23 ABSENT: None
24 ABSTAINING: None

25 
26 Gwenna MacDonald, City Clerk

27 APPROVED AS TO FORM:

28 
Peter M. Talia, City Attorney

Reviewed by: ~~JGH~~ City Administrator
~~MM~~ City Attorney

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted by: Jared G. Hancock, City Administrator

Action Date: January 15, 2014

CITY COUNCIL AGENDA ITEM

SUBJECT: Amend Chapter 12.36 "Trees" of the Susanville Municipal Code and adopt a revised "Approved Street Tree List"

PRESENTED BY: Craig Platt, Director of Public Works

SUMMARY: Through the administration of Chapter 12.36 of the Susanville Municipal Code pertaining to the planting, maintenance, and removal of street trees, it has become evident to public works staff that the current Code contains outdated and somewhat cumbersome administrative procedures. The current list of approved street tree species is also very limited and contains no direction as to which species to plant given certain site-specific characteristics encountered in different areas throughout the City.

Staff is proposing amendments to Chapter 12.36 which will streamline the process for administering the City's street tree resource. The primary amendments to the Code include:

1. Elimination of the Tree Commission. This Commission has not been appointed or been active during the past 5 years. Administrative decisions made by the City Administrator may still be appealed to the Planning Commission and ultimately to the City Council.
2. Includes additional direction regarding trimming of trees by public utility agencies.

Along with the ordinance is a proposed resolution adopting and amended list of approved street tree species. The proposed list is far more comprehensive than the City's current list and provides superior guidance for planting species under utility lines to reduce future trimming costs, specific species for use in narrow planning strips, and provides specific species for use in the older city core. All proposed tree species are suitable for planting in Susanville's physical environment.

FISCAL IMPACT: None.

ACTION REQUESTED: Waive first reading and introduce Ordinance 14-0991 amending Chapter 12.36 of the Susanville Municipal Code

Motion to approve Resolution 14-4958 updating the City's approved street tree species list.

ATTACHMENTS: "A" – Ordinance 14-0991
"B" – Resolution 14-4958

RESOLUTION NO 14-4958
A RESOLUTION OF THE SUSANVILLE CITY COUNCIL ADOPTING APPROVED
STREET TREE SPECIES FOR PLANTING

WHEREAS, the City of Susanville recognizes that the benefits of planting trees in the urban environment include reducing air pollution, reducing carbon dioxide levels in the atmosphere, reducing topsoil erosion, reducing fossil fuel use by cooling the environment, and provide an aesthetically pleasing landscape for city residents and visitors; and

WHEREAS, the City's municipal code requires the planting of street trees for all new development and requires the City to maintain a list of approved street trees to guide project applicants when designing their landscape improvements; and

WHEREAS, a more complete list of street trees is required to accommodate different conditions that exist within the City including but not limited to planting under power lines, and in narrow planter strips.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Susanville adopts the "Approved Street Tree Species List" attached as exhibit "A" for use within the City of Susanville.

APPROVED: _____
Rod E. De Boer, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing Resolution No. 14-4958 was adopted at a regular meeting of the City Council of the City of Susanville held on the 15th day of January, 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM:

Peter M. Talia, City Attorney

EXHIBIT "A"

Resolution 14-4958

City Of Susanville

Approved Street Tree Species List

(Revised- 2013)

The selection of appropriate street trees is very important for the establishment and long term health of urban forest. The primary factors considered in the development of the following Approved Street Trees List include: drought tolerance, insect and disease resistance, available space above and below ground, size at maturity, cold hardiness, branching habit, and liability issues (thorns, heavy fruit, poisonous, tendency for roots to damage hardscape, etc.). This document contains a list of tree species that are **approved** for use as street trees, as well as a list of tree species that are specifically **not allowed** for use as street trees within the City of Susanville. Additionally, there is a section listing trees that are "columnar" in form typically used in narrow locations or in confined tree pits that have minimal setbacks from streets or buildings. It is the intent of the City of Susanville that this information be used by homeowners, planners, developers, landscape architects, landscape contractors, and others who share a common interest in trees.

Trees are beautiful and make our city look great, but did you know that you are responsible for ensuring that trees on your property do not encroach over city sidewalks and into your neighbor's yards? This can occur in many ways, whether it simply hangs out over the sidewalk or if the roots of the tree are disturbing sidewalks or gutters. City of Susanville tree-trimming standards are designed to protect tree owners and those who are bothered by their neighbor's trees, especially when the branches begin to encroach their property. Trees must be trimmed to ensure they exceed ten feet above a city sidewalk and 15 feet above a city street.

If a tree on your property invades your neighbor's yard, your neighbor has the legal right to trim that tree because property lines run vertically. However, asking a neighbor before getting out your tree trimming equipment is always appreciated.

Several guidelines have also been developed in conjunction with Susanville **Municipal Code 12.36.050** to maximize the success of future tree plantings and minimize maintenance costs. It is important to **Plant the right tree in the right place.**

SMC 12.36.100 Requires a Tree Work Permit be obtained prior to planting, removing, pruning, cutting of or damaging any roots, or treating any tree with pesticides for any tree on City of

Susanville property. This includes public planting strips and areas within public street right-of-way. Public planting strips, sometimes called "Parkways", are the areas between the curb and sidewalk. These areas are within the public right-of-way and vary in width. The public right-of-way may also extend a given distance at the back of sidewalk or behind a curb in the absence of a planting strip, except when the involved right-of-way is along the back of the property and the person in charge of the adjoining property has no direct access to the right-of-way along the back of their property. The permit must be obtained before any work is done on City of Susanville property or right-of-way. Tree permits may be obtained at no cost from the Public Works Department.

Do not TOP trees. Topping trees is severely damaging to the tree structure.

Tree topping (also called hat-racking, heading, or rounding over) is the practice of cutting a terminal branch to a stump or to a lateral branch that is not large enough to assume the terminal role. Topping is not an acceptable way to reduce a tree's canopy. Tree topping results in rapid growth of multiple thin branches below the cut. These new branches are weakly attached and hazardous. Although this flush of new growth may look like the tree is healthy and recovering, they are actually a stress response. Topping can also cause trunk rot, which weakens the structure of the tree and creates more hazards. In fact, a topped tree will require more frequent maintenance than a properly pruned tree. It is not advisable to hire anyone who is willing to top a healthy tree.

Do I need a permit to prune a street tree?

If you have a privately maintained street tree outside of the City's right-of-way the answer is no, you do not need a permit to prune a tree.

However, all street trees are under the jurisdiction of Department of Public Works and Susanville's tree pruning standards should be followed. Failure to properly prune street trees will damage the long-term health of the tree. Property owners with the maintenance responsibility for the street trees on their property are required to follow the tree pruning standards established in Susanville. Hire a qualified contractor or arborist, preferably an arborist who is certified with the International Society of Arboriculture is highly recommended. (Tree Pruning Guide)

Any person desiring to obtain a tree planting, pruning or removal permit in the City's right-of-way must hold a current International Society of Arboriculture Arborist or C-61/D-49 license and a City of Susanville Business License. For those desiring to obtain a tree planting permit only, a current business license, C-61/D-49 contractor's license or be the fronting property owner will be acceptable. The Public Works Department can also assist in determining property ownership.

Please call (530-257-1041) for permits or assistance.

Species diversity is to be encouraged. The use of only one or two species on a street or on the same block greatly increases the likelihood of epidemic disease and/or insect infestations. The demise of the American elm is the best documented example of what can happen with the

one species to promote harmony, and as thematic element, but the risk associated with this practice is a concern to the City of Susanville. As a guideline, no single species used as a street tree should exceed thirty-five (35) percent of the population in a row, on the same block, or on the same side of a street. No species should comprise more than ten (10) percent of the total forest inventory. No more than five (5) individual trees of the same species should be planted in a row. However, certain situations may exist that are not compatible with this guideline.

Watering requirements are the single most important factor leading to the success or failure of trees in our extremely arid climate! This is true for both newly planted as well as established trees. Newly planted trees require more frequent watering than established or mature trees. For newly planted trees, a circular mound of soil 4-6" high around the edge of the planting area should be built. This will force water into the root ball. The bermed area should be slowly filled with water and allowed to soak in, then re-filled again. This should be done 2-3 times a week throughout the summer. In the early spring and late fall, watering 1-2 times per week should be sufficient. Times between watering should be allowed to let the soil drain and dry-out. A screwdriver can be used to check soil moisture. Adjust water frequency as necessary. Even with a sprinkler or drip system, new trees need extra water. After two (2) years, roots should be established, regular watering is still required. For established and mature trees, water must reach the entire root zone. This is the area just beyond the trunk to at least the drip-line, (branch spread), and beyond. Avoid frequent light watering which promotes the development of shallow root systems which are susceptible to summer heat stress and winter injury. If using a drip system only, make sure you add more lines and emitters as the tree matures. Check emitters regularly to make sure they do not become clogged. If you have trees in turf and a sprinkler system, make sure there is adequate coverage. Check for leaks and proper overlap coverage of sprinkler heads. Be sure to provide extra watering with a soaker hose or manual sprinkler attached to a hose during mid-summer. Do this every 10-14 days.

Tree Stakes- If tree stakes were installed when the tree was planted, they should be removed along with all hardware after 1-2 years, depending on how soon the tree becomes established, how much wind there is, and soil conditions. Leaving tree stakes on too long can girdle and kill trees!

Evergreen Trees are not allowed as street trees in planting strips due to shading in winter which inhibits melting of snow/ice from walks and streets and low branches which create safety problems from lack of visibility, and interference with pedestrians, vehicles, and traffic control devices. The City of Susanville recognizes that certain small, columnar or other evergreen trees may be utilized in special circumstances with the approval of the Public Works Department.

Minimum grow space requirements need to be followed. Five feet (5') is the minimum planting strip width suitable for planting trees. Shrubs may be used in those situations where only five feet or less is available for planting. Problems occur with tree roots lifting sidewalks,

cracking pavement/concrete, displacing curbs and gutters, heat stress, and mechanical injury to roots. The use of root barriers is considered a short term solution and is not generally acceptable.

Mature tree size should match the available space. For the purposes outlined here, planting strips/parkways have been divided into the following size categories with corresponding tree/shrub sizes:

| <u>Parkway size</u> | <u>Acceptable plants</u> |
|------------------------------|--|
| Less than four feet wide | Shrubs only, no trees |
| Four feet to seven feet wide | Class1 (small trees only) |
| Seven to ten feet wide | Class1 or 2 (small and/or medium trees) |
| Greater than ten feet wide | Class 2 or 3 (medium and/or large trees) |

Generally the largest tree size category that will fit the space should be used to provide maximum shade, environmental benefits, and tree longevity. **Minimum space between trees** is determined by the City of Susanville depending on the tree species selected. Generally, **small trees can be spaced 15' feet apart; medium trees 25' feet; and large trees 35' feet apart.** If there are special situations such as overhead utility lines, existing walks/driveways, structures, or other utilities, then smaller size categories or columnar tree varieties may be used.

SPECIES NOT APPROVED FOR STREETS OR PARKWAYS

- Box elder – box elder bugs and seeds are a nuisance.....Acer negundo
- Silver maple – weak/brittle wood.....Acer saccharinum
- Russian Olive – thorns and invasive species.....Elaeagnus angustifolia
- Walnut – fruit and insects.....Juglans spp.
- Goldenchain tree – poisonous.....Laburnum anagyroides
- Aspen – not adaptable, shallow roots, diseases.....Populus tremuloides

Cottonwood – weak/brittle wood, invasive roots, diseases.....Populus spp.
Black Locust/Purple Robe Locust – limb failure high, borers.....Robinia spp.
Willow – weak/brittle wood, invasive roots.....Salix spp.
Tamarisk (Salt Cedar) – invasive/noxious weed listing.....Tamarix spp.
Elm – Elm leaf beetle infestation, heavy.....Ulmus spp.

All fruit trees such as apples, pears, peaches, plums, and cherries are not allowed.

The above Street Tree Species List and Guidelines were officially approved by the City of Susanville on January 26th, 2011.

APPROVED STREET TREE SPECIES

Tree species from the following list are approved by the City of Susanville for planting in the City of Susanville on parkways and other street locations. They are grouped by size class as determined by trunk diameter, height, and crown spread at maturity. The list below is in alphabetical order by scientific name; common names are also shown on the left. Other tree species not found on the approved list may be allowed for planting upon approval from the City of Susanville. For additional tree selections that may be appropriate for use on one's own property, please visit the Water Efficient Landscape Guide located on the Truckee Meadows Water Authority web site for valuable information:

http://www.tmwlandscapeguide.com/landscape_guide/interactive/index.php

Trees are labeled first with their Scientific or Botanical Names, which can be used to locate additional information in references such as the Sunset Western Golden Book, or plant catalogues. Common name follow. Descriptions have been provided from tree grower catalogues. Size and height information is typically for older, mature trees. One can expect up to 20 % less size and height in the City of Susanville due to the dry climate and short growing season.

Class 1. Small Trees: Small trunk diameter, (25 feet or less in height), good for planting beneath power lines.

These small-scale trees are recommended for planters 4 feet or less in width, for areas where space is constrained, or where overhead conditions exist and the planting of full-size canopy trees would not be appropriate. Choose smaller species for under utility lines.

| Botanical Name | Common Name | Height (feet) | Spread (feet) | Shape | Sunlight |
|--|----------------------------------|---------------|---------------|------------------|-----------|
| Acer campestre | Hedge Maple | 30 - 35 | 30 - 35 | Round | FS/PSh |
| Acer ginnala | Amur Maple | 20 - 30 | 20 - 25 | Round; spreading | FS/PSh/Sh |
| Acer tataricum | Tartarian Maple | 15 - 20 | 15 - 20 | Round | FS; PSh |
| Acer platanoides 'Crimson Sentry' | 'Crimson Sentry' Norway Maple | 20 - 25 | 15 | Columnar | FS |
| Carpinus caroliniana | American Hornbeam | 20 - 30 | 20 - 30 | Oval | FS/PSh |
| Cercis Canadensis | Eastern Redbud | 20 - 30 | 15 - 25 | Round; vase | FS/PSh |
| Chilopsis linerasis | Chitalpa | 20 - 25 | 20 - 25 | Round | FS |
| Cornus alternifolia | Pagoda Dogwood | 15 - 25 | 15 - 30 | | FS/PSh |
| Cotinus coggygria | Smoke Tree | 10 - 15 | 10 - 18 | Round | FS |
| Crataegus crus-galli 'Inermis' | Thornless Cockspur Hawthorn | 15 - 25 | 15 - 25 | Round; spreading | FS |
| Malus spp.* | Crabapple | 10 - 25 | 10 - 25 | Round spreading | FS |
| Prunus serrulata 'Kwanzan' | Kwansan Cherry | 15 - 25 | 15 - 25 | Upright; vase | FS |
| Prunus sargentii 'Columnaris'* | Columnar Sargent Cherry | 25 - 35 | 15 - 20 | Columnar; vase | FS |
| Prunus cerasifera 'Krauter Vesuvis' | Purple Leaf Flowering | 15 - 20 | 15 | round | FS |
| Prunus virginiana 'Canada red' | Canada Red Chokecherry | 18 - 20 | 12 - 15 | Oval | FS |
| Sorbus x hybrid 'Fastigiata' | Columnar Mountain Ash | 20 - 25 | 10 | Oval; upright | FS |
| Syringa reticulata | Japanese Tree Lilac | 20 - 30 | 15 - 25 | Round; upright | FS |
| Acer saccharum 'Barrett Cole' | Apollo Sugar Maple | 12 - 15 | 8 - 10 | Columnar | FS/PSh |

* non or small fruit bearing only - Crabapple Golden Raindrops, ' Red Barron,' or ' Red Jewel'

FS – Full Sun; PSh – Partial Shade; Sh – Shade

Other species may be considered with the approval of the Public Works Department.

Class 2. Medium Trees: Moderate trunk diameter, (30-50 feet in height)

| Botanical Name | Common Name | Height (feet) | Spread (feet) | Shape | Sunlight |
|--|---|---------------|---------------|---------------------|-------------|
| <i>Acer buergerianum</i> | Trident Maple | 35 - 45 | 25 - 30 | round | FS; PSh |
| <i>Acer rubrum</i> 'Red Sunset' | 'Red Sunset' Red maple | 45 - 50 | 25 - 40 | Oval; upright | FS; PSh |
| <i>Acer rubrum</i> 'October Glory' | 'October Glory' Red Maple | 40 - 50 | 25 - 35 | Oval; round | PSh; FS |
| <i>Acer saccharum</i> 'Green Mountain' | 'Green Mountain' Sugar Maple | 40 - 50 | 35 - 50 | Oval | PSh; Sh; FS |
| <i>Acer x freemanii</i> 'Jeffersred' | Autumn Blaze Maple | 40 - 55 | 30 - 40 | Oval | FS; |
| <i>Aesculus x carena</i> 'Briotii' | Red Horsechestnut | 35 - 45 | 35 - 45 | Round; pyramidal | FS |
| <i>Betula nigra</i> 'Heritage' | Heritage River Birch | 40 - 50+ | 25 - 35 | Oval; pyramidal | PSh; FS |
| <i>Carpinus betulus</i> 'Fastigiata' | European Hornbeam 'Fastigiata' | 30 - 40 | 15 - 20 | Columnar; pyramidal | FS; PSh |
| <i>Corylus colurna</i> | Turkish Filbert | 40 - 50 | 25 - 30 | Oval; pyramidal | PSh; FS |
| <i>Fraxinus Americana</i> 'Autumn Purple' | 'Autumn Purple' White Ash | 40 - 50 | 35 - 50 | Oval; round | FS; PSh |
| <i>Fraxinus ornus</i> | Flowering Ash | 40 - 50 | 40 - 50 | Round | FS; PSh |
| <i>Fraxinus oxycarpa</i> 'Raywood' | Raywood Ash | | | | |
| <i>Fraxinus pennsylvanica</i> 'Urbanite Ash' | Urbanite Ash | 40 - 50 | 35 - 40 | Oval; pyramidal | FS; PSh |
| <i>Ginkgo biloba</i> 'Magyar' | Ginkgo Maidenhair | 40 - 60 | 20 - 30 | Oval | FS |
| <i>Koelreuteria paniculata</i> | Goldenraintree | 30 - 40 | 30 - 40 | Round; vase | FS |
| <i>Phellodendron amurense</i> 'His Majesty' | Amur Corktree 'His Majesty' | 35 - 40 | 35 - 40 | Round; spreading | FS |
| <i>Pistacia chinensis</i> | Chinese Pistache | 25 - 35 | 25 - 35 | Round; oval | FS; PSh |
| <i>Pyrus calleryana</i> 'Capital' or 'Chanticleer' | 'Capital' or 'Chanticleer' Flowering Pear | 35 - 45 | 12 - 15 | Columnar | FS |
| <i>Pyrus calleryana</i> 'Aristocrat' | 'Aristocrat' Callery Pear | 35 - 45 | 25 - 35 | Pyramidal | FS |
| <i>Quercus muehlenbergii</i> | Cinkapin Oak | 40 - 50 | 50 - 60 | Round; spreading | FS |
| <i>Carpinus betulus</i> 'Frans Fontaine' | Frans Fontaine Hornbeam | 30 - 40 | 15 - 20 | Columnar | FS |

| | | | | | |
|--|-----------------------------|---------|---------|----------|---------|
| <i>Fagus sylvatica</i> 'Dawyck Purple' | Dawyck Purple Beech | 30 - 50 | 8 - 10 | Columnar | FS; PSh |
| <i>Fagus sylvatica</i> 'Fastigiata' | Fastigate Beech | 35 - 45 | 10 - 15 | Columnar | FS; PSh |
| <i>Liquidambar styraciflua</i> 'Slender Silhouette' | Slender Silhouette Sweetgum | 40 - 50 | 6-8 | Columnar | FS |
| <i>Liriodendron tulipifera</i> 'Fastigiatum' | Columnar Tulip Tree | 40 - 50 | 10 - 15 | Columnar | FS; PSh |
| <i>Quercus palustris</i> 'Pringreen' PP | Green Pillar Oak | 40 - 50 | 10 - 15 | Columnar | FS |
| <i>Tilia cordata</i> 'Corzam' | Corinthian Linden | 35 - 45 | 12 - 15 | Columnar | PSH; FS |
| <i>Quercus robur</i> x <i>Q. alba</i> 'Crimschmidt' | Crimson Spire Oak | 35 - 45 | 12 - 15 | Columnar | FS |

FS – Full Sun; PSh – Partial Shade; Sh - Shade

Other species may be considered with the approval of the Public Works Department.

Class 3. Large Trees: Large trunk diameter, (can reach height over 50 feet)

| Botanical Name | Common Name | Height (feet) | Spread (feet) | Shape | Sunlight |
|---|-------------------------------------|---------------|---------------|------------------|----------|
| <i>Acer platanoides</i> 'Columnar' | Columnar Norway Maple | 50 - 60 | 15 - 20 | Columnar | FS; PSh |
| <i>Acer pseudoplatanus</i> | Sycamore Maple | 50 - 60 | 40 - 60 | Round; spreading | FS; PSh |
| <i>Acer pseudoplatanus</i> | Sycamore Maple | 50 - 70 | 40 - 60 | Round; spreading | FS; PSh |
| <i>Acer rubrum</i> | Red Maple | 50 - 70 | 25 - 40 | Oval; upright | FS; PSh |
| <i>Acer rubrum</i> 'Armstrong' | 'Armstrong' Red Maple | 50 - 60 | 15 - 25 | Columnar | FS; PSh |
| <i>Aesculus glabra</i> | Ohio buckeye | 50 - 70 | 40 - 50 | Round; oval | FS; PSh |
| <i>Celtis occidentalis</i> | Common Hackberry | 45 - 80 | 40 - 50 | Round ; vase | FS; PSh |
| <i>Eucommia ulmoides</i> | Hardy Rubber Tree | 40 - 60 | 25 - 35 | Round; spreading | FS |
| <i>Fagus sylvatica</i> | European beech | 50 - 80 | 40 - 60 | Oval | FS; PSh |
| <i>Gleditsia triacanthos</i> var. <i>inermis</i> 'Shademaster' | 'Shademaster' Thornless Honeylocust | 50 - 70 | 35 - 50 | Upright; vase | FS; PSh |
| <i>Gymnocladus dioicus</i> | Kentucky Coffeetree | 65 - 70 | 45 - 60 | Oval | FS |
| <i>Liquidambar styraciflua</i> 'Moraine' | 'Moraine' Sweetgum | 40 - 60 | 35 - 40 | Oval; pyramidal | FS; PSh |
| <i>Liriodendron tulipifera</i> | Tuliptree | 80 - 100 | 30 - 50 | Oval | FS |

| | | | | | |
|-------------------------------------|----------------------------|---------|---------|------------------|---------|
| Platanus x acerifolia 'Bloodgood | London Planetree | 70 - 85 | 50 - 70 | Round; spreading | FS |
| Quercus bicolor | Swamp White Oak | 50 - 70 | 50 - 70 | Oval; round | FS; PSh |
| Quercus coccinea | Scarlet Oak | 60 - 75 | 45 - 60 | Round | FS |
| Quercus imbricaria | Shingle Oak | 40 - 60 | 40 - 60 | Oval; pyramidal | FS |
| Quercus macrocarpa | Bur Oak | 70 - 90 | 60 - 80 | Round; spreading | FS |
| Quercus palustris | Pin Oak | 50 - 75 | 35 - 40 | Pyramidal | FS |
| Quercus Rubra | Northern Red Oak | 60 - 70 | 50 - 60 | Round | FS |
| Ginkgo biloba 'Princeton Sentry' | Princeton Sentry Ginkgo | 40 - 60 | 15 - 20 | Columnar | FS; PSh |

FS – Full Sun; PSh – Partial Shade; Sh - Shade

Other species may be considered with the approval of the Public Works Department.

Columnar Trees- These trees have an upright growth form and are intended for narrow spaces with minimal setbacks so as not to conflict with pedestrian/ vehicular travel or advertising signs near adjacent businesses. They may also be used for planting in 5' x5' tree pits for streetscape projects. Several selections in the above lists have been used in the City of Susanville to date and have shown good success. Planners and Landscape Architects are encouraged to use these selections in designing streetscapes and commercial properties. Columnar trees also make good screens or buffers along driveways or in backyards. Local nurseries are also encouraged to stock and promote the use of these tree types to clients and customers. Choose trees from the approved lists with a Columnar shape and height suited for the proposed location.

Owner Requirements for the Design and Landscaping of City Maintained Parkways

The following guidelines have been developed to help owners plan for the appropriate planting of parkways in the City of Susanville.

* The parkway area is defined as the linear planter between the sidewalk and curb and gutter.

* These requirements have been developed to assist the City in their care-taking of public parkways, to enhance driver and pedestrian safety, to protect utilities (overhead and underground), and to conform to the criteria set forth by the City of Susanville for street tree and shrub planting.

1. All trees planted shall be selected from the City of Susanville's most current list of approved trees. Other trees will be considered if requested; however, any exceptions must be approved in writing by the City.

2. Tree Locations:

a. Shall conform to the City of Susanville code requirements. Street trees must be set back a minimum of ten feet from water and sewer lines, 30 feet from an intersection, and ten feet from any driveway, hydrant, or street sign. Trees which grow to more than 20 feet in height may not be planted under overhead utility lines.

b. Exceptions to these code requirements shall be made on a case by case basis as needed between Roop and Weatherlow Streets, Carroll to Willow Streets (the historical part of Susanville).

3. All landscaping within the traffic safety site area must provide unobstructed cross-visibility at a level between three feet and eight feet in height. The site safety area is the triangular area defined by "a line joining points on the curb or edge of a roadway 45 feet from the point of intersection of the extended curb lines of edges of roadway." In this area no "shrubby, mounds of earth, or other visual obstruction over 30 inches in height above the nearest street curb elevation shall be erected, placed, planted, or allowed to grow"

4. Pedestrian access through planted parkways from parked cars to the sidewalk should be planned for.

5. Lawns are encouraged in the primary downtown area where older homes exist.

6. Xeriscape and rock groundcover is not recommended in the primary downtown area where older homes exist. The selection of traditional shrubbery, such as Spiraea, is encouraged over desert like plantings.

7. The height of shrubbery shall be 36 inches or less on average.

8. Shrubby with distinctive thorns is discouraged in City-maintained parkways.

9. All trees in lawn areas should maintain an area clear of lawn around the base of the tree trunk so that mowers and weed-eaters do not damage the bark.

ORDINANCE NO. 14-0991
AN ORDINANCE OF THE CITY OF SUSANVILLE
AMENDING CHAPTER 12.36 - TREES
OF THE CITY OF SUSANVILLE MUNICIPAL CODE

WHEREAS, the City of Susanville municipal code 12.36 entitled "Trees" currently contains regulations pertaining to trees within the City's public road right-of-ways known as street trees; and

WHEREAS, the administrative provisions of Chapter 12.36 include a review process which does not reflect the city's current operating procedures and should be streamlined in order to be more responsive addressing the planting, care and removal of street trees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUSANVILLE DOES ORDAIN AS FOLLOWS:

Section 1: Chapter 12.36 of the City of Susanville Municipal Code shall be amended as set forth below with ~~strikeout~~ language being removed from the code and underlined language being added to the code. Articles or sections of chapter 12.36 not listed below are not being amended:

Chapter 12.36.20 Definitions

For the purpose of this chapter, the following definitions apply:

"Planning Commission" means the five members appointed by the mayor with the approval of the City Council as per Susanville Municipal Code Section 2.36.020.

"Species list" means the official list of acceptable street trees for new plantings based on trees adapted to grow adjacent to street improvements and utility improvements

without damage to those improvements and suitable for the climate zone of Susanville city. The list shall designate trees suitable for planting under overhead utility lines to reduce the need for tree trimming.

~~“Tree commission” means a commission of five members appointed by the mayor, approved by the council. At least two of the members should have technical expertise, such as a nursery or landscape person. The commission will meet as needed, to review permits and other activities requiring technical expertise. The duties of the commission shall include: review statistics of the permit process, including tree removal and plantings; update species list; recommend permit fee changes; do field inspections when possible to assist city staff; review appeals under this chapter. The mayor, with the council’s approval, may designate another existing commission of the city to assume the duties and responsibilities of the tree commission.~~

12.36.040 Removal of street trees.

It is unlawful to remove or cut down any street tree without having first secured a permit there for. Applications for such permits shall be made to the city administrator or appointed designee.

12.36.060 Care and trimming of street trees

Street trees shall be cared for and trimmed by the private property owner of the abutting or underlying real property. Trees may also be trimmed by the utility district responsible for maintenance of overhead utility lines subject to the requirements of code section 12.36.180. The city is not responsible for any maintenance, planting, or replacement of street trees. This section does not amend presently existing practice in Susanville but its purpose is to state in this chapter the present and past practice existing in the city.

12.36.080 Penalty

Any person, firm, or corporation violating any portion of this chapter, shall be guilty of an infraction for each offense and a separate offense shall be deemed committed on each day during or on which a violation occurs or continues. Persons removing a tree without a permit or irreparably damaging a tree through neglect or improper trimming shall also be charged for the replacement cost of the tree.

12.36.100 Tree permit for street trees

Any person wishing to plant a street on their property shall ~~may~~ obtain a permit by making written application to the city and paying a fee necessary to cover the cost of processing the application as set by resolution of the city council. ~~Where a~~ The permit application ~~is required by this article, it~~ shall include a site plan to show the following information at a scale sufficient to enable the determination of matters required under these regulations:

A. The shape and dimension of the lot or parcel, together with the existing and proposed location of structures and improvements, if any.

B. Locations of all existing registered or street trees, identified by common or botanical name. Registered or street trees proposed to remain, to be transplanted, or to be removed, shall be identified.

12.36.110 Tree permit for the planting and protection of trees in new developments, and construction projects.

There shall be no less than one street tree from the approved species list planted at each new lot in a single family residential subdivision with corner lots requiring one tree for each street frontage. For multi-family residential developments one tree shall be required for each fifty feet of lot frontage on a public street residential unit. In the event the development is commercial, the landscaping requirement conditions established by the planning commission and/or planning department shall require

incorporation of a sufficient number of healthy trees, each at least one and one-fourth inches in diameter at six inches above the ground and at least eight feet in height with the crown in good balance with the trunk. The trees must be in a healthy condition at the time of final inspection. It shall further be the policy of the city that any commercial or residential development or subdivision shall be required to preserve and protect existing trees on the property, and those required to remain shall be clearly designated as a condition of development. Further, removal of any tree greater than four inches or greater in diameter at diameter breast height (d.b.h. is four and one-half feet above the ground) in the area of the new development shall require a permit under the procedures of Section 12.36.100 and include the following additional information:

F. Any and all such permits issued by the city shall be declared null and void if commencement of work so permitted is not started within a reasonable time, not to exceed ~~six~~ twelve months. Permits not used within this period will require a new application. For purposes of this chapter, a permit shall be deemed used when the work authorized by the permit is completed.

12.36.120 Permit procedure for tree removal

The tree removal application shall be field checked and a field inspection report made prior to issuance of a permit. The city administrator may request a recommendation concerning the application from any or all appropriate city departments. ~~or the tree commission.~~

12.36.170 Removal of street tree from utility easement

Where a tree is proposed for removal from a utility easement, the applicant shall be required to relocate or replace each tree on a one-to-one ratio in accordance with the conditions for replacement set forth herein. The city administrator shall designate the location of the replacement or relocation of trees removed from a utility easement and shall base that designation on a determination of the location which will best

serve to lessen the impact to public facilities ~~less than adverse impact of the factors set forth herein.~~

12.36.180 Trimming of street tree or registered trees by public utility corporations
Any public utility corporation maintaining overhead wires may be given a permit by the city, valid from one year from date of issuance, to allow such public utility corporation to trim or brace any street or registered tree. Permission to trim or brace trees by the public utility corporation shall be granted where it can be shown that the trees or portion thereof will interfere with the safety of the overhead wires including, but not limited to the transmission of electrical current, cable television, or telephone messages. The trimming shall not damage the health of the tree or be done in a manner to leave an unbalanced canopy.

12.36.220 Appeals

Any person adversely affected by a decision of the city administrator in the enforcement or interpretation of any of the terms of provisions of this chapter may appeal such decisions to the planning tree ~~commission~~. Such appeal shall be taken by filing written notice with the city administrator, with a copy to the city clerk, within ten (10) days after the written decision of the city administrator is mailed to the applicant. The decision of the planning tree ~~commission~~ may be appealed to the city council for the final determination. Such appeal shall be filed with the city clerk in writing within five days after the decision of the planning tree ~~commission~~. The city council shall thereafter set a date to consider the appeal. The decision of the city council shall be final.

Section 2: This ordinance shall take effect 30 days from its adoption by a majority vote of the members of the City Council.

Section 3: The City Clerk shall cause this Ordinance to be published at least twice in *The Lassen County Times*, a newspaper of general circulation, published and circulated within the City.

APPROVED: _____
Rod De Boer, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Susanville, held on the ____ day of _____, 2014 by the following polled vote:

AYES:

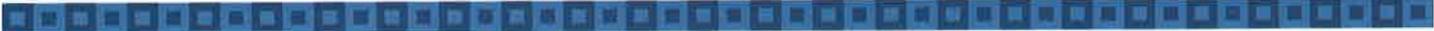
NOES:

ABSENT:

ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: _____
Peter M. Talia, City Attorney

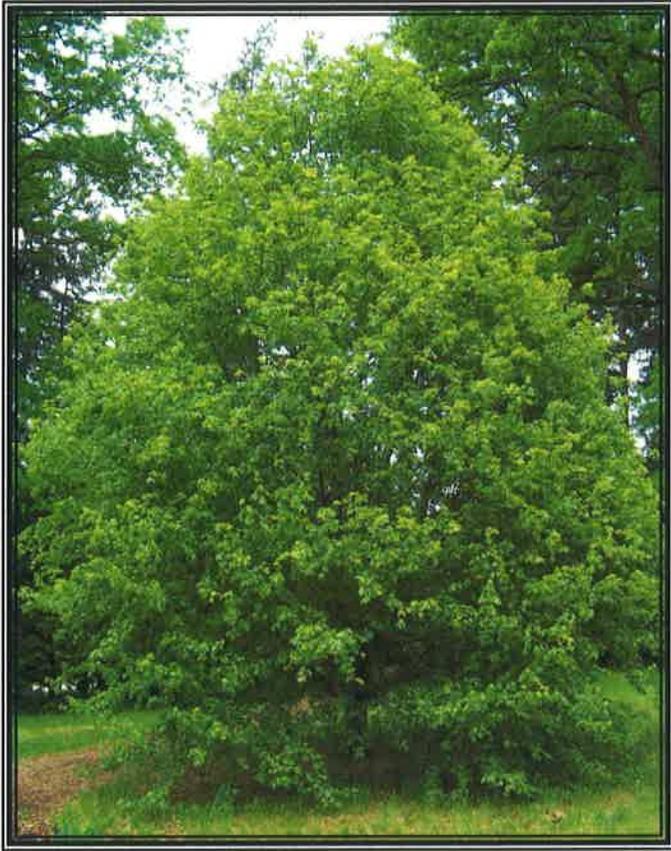


City of Susanville Street Trees Picture List

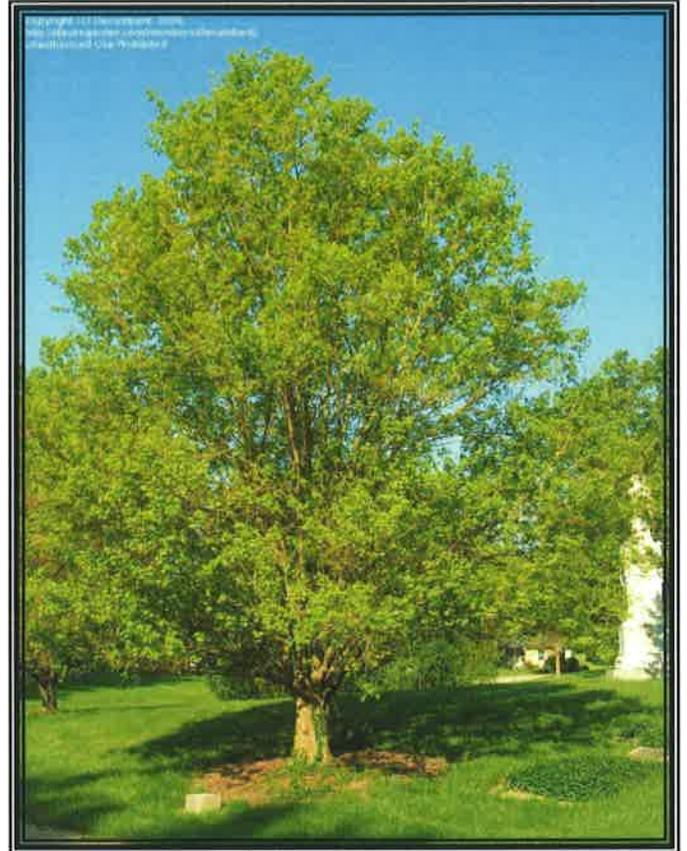
Adopted January 15, 2014,
By Resolution 14-4958

SMALL TREES

These small-scale trees are recommended for planters 4 feet or less in width, for areas where space is constrained, or where overhead conditions exist and the planting of full-size canopy trees would not be appropriate. Choose smaller species for under utility lines.



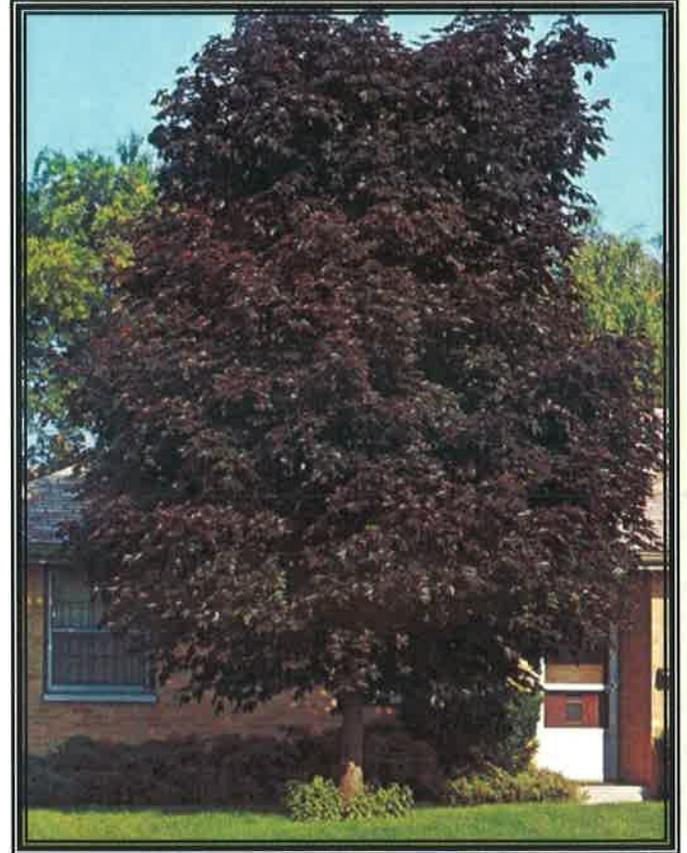
Acer campestre Hedge Maple



Acer ginnala Amur Maple



Acer tataricum Tatarian Maple



Acer platanoides 'Crimson Sentry'
Crimson Sentry Norway Maple



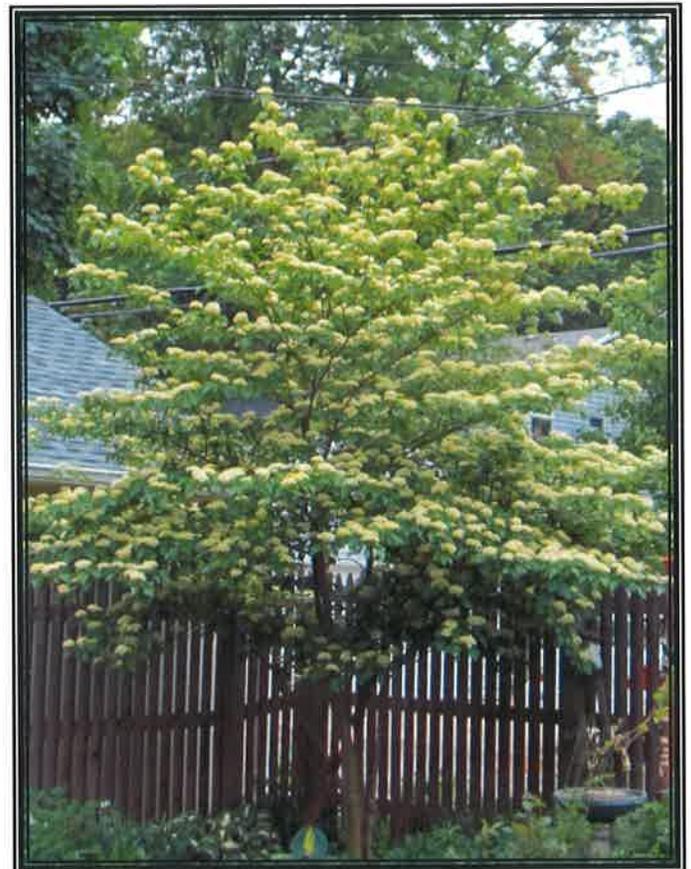
Carpinus caroliniana
American Hornbeam



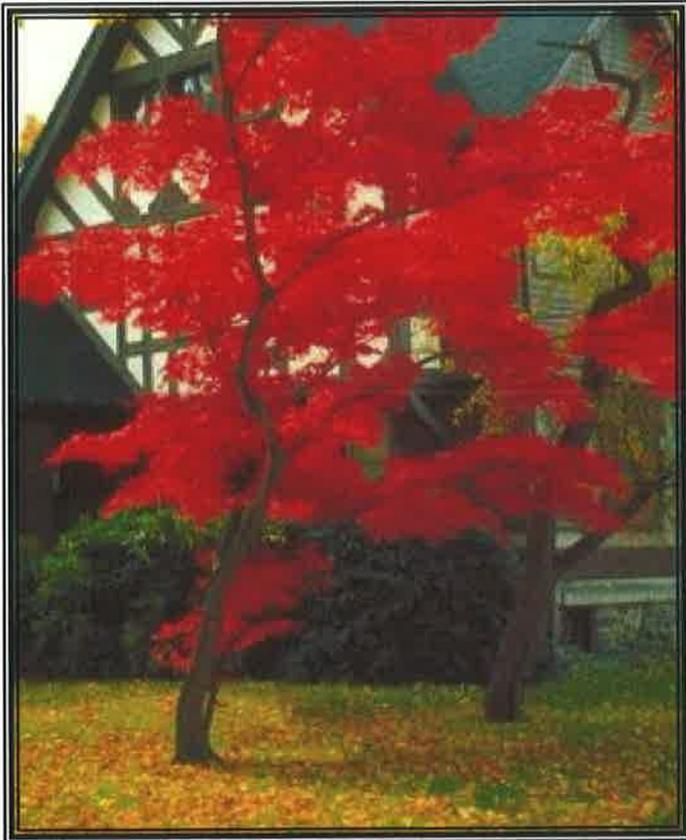
Cercis Canadensis
Eastern Redbud



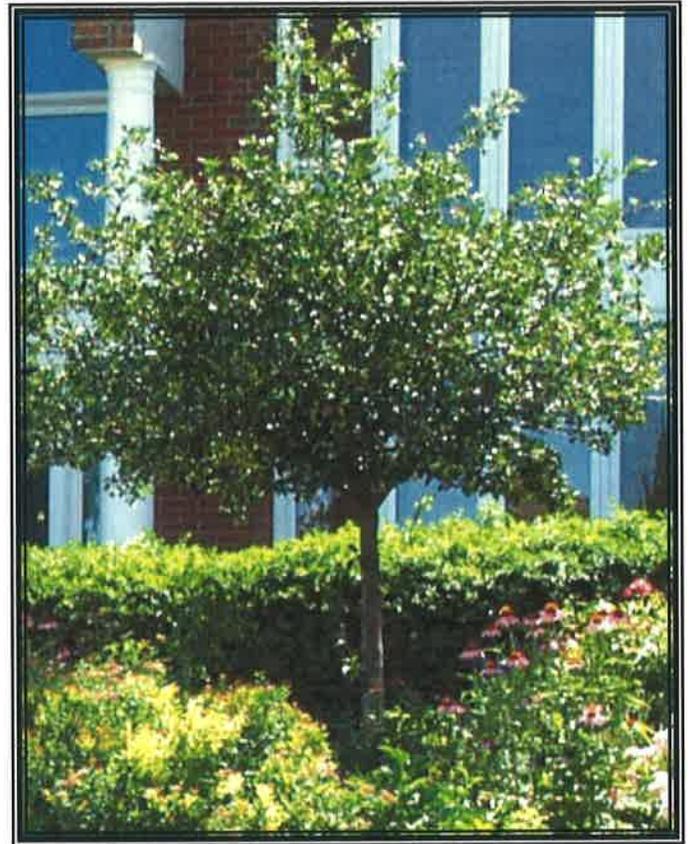
Chilopsis linerasis
Chitalpa



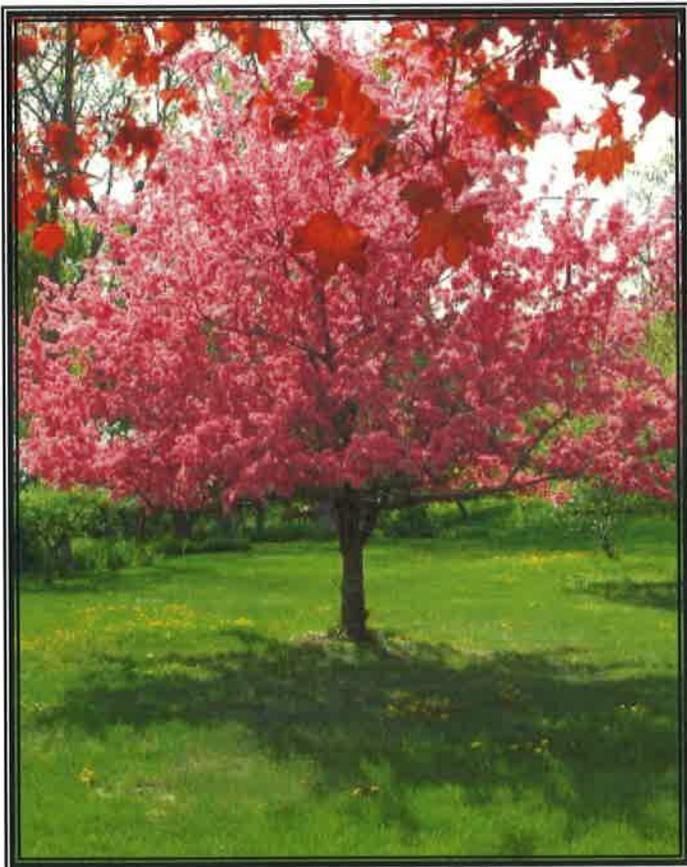
Ceornus alternifolia
Pagoda Dogwood



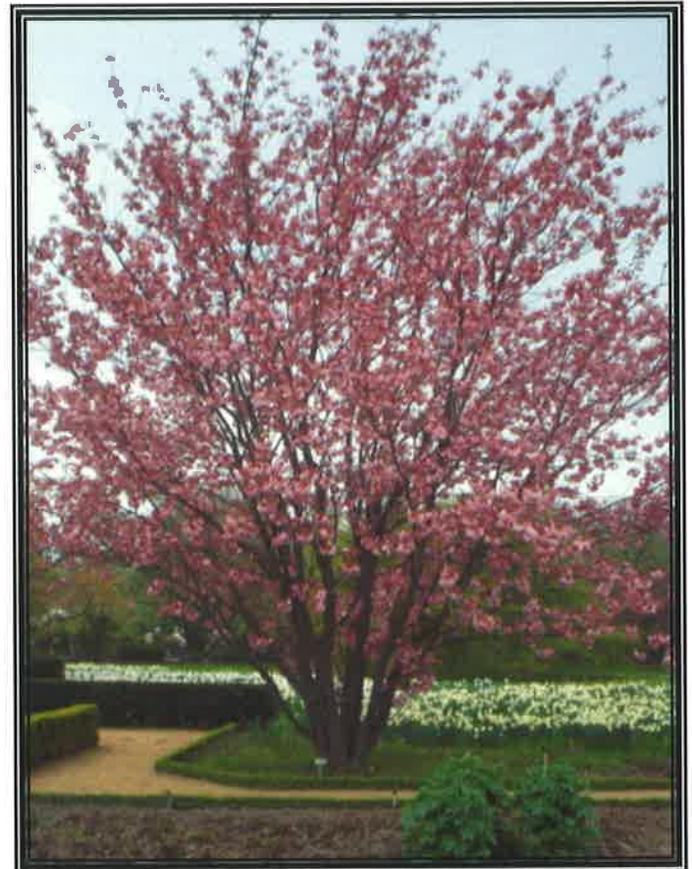
Cotinus coggygia
Smoke Tree



Crataegus crus-galli 'Inermis'
Thornless Cockspur Hawthorn



Malus ssp.
Crabapple



Prunus serrulata 'Kwanzan'
Kwansan Cherry



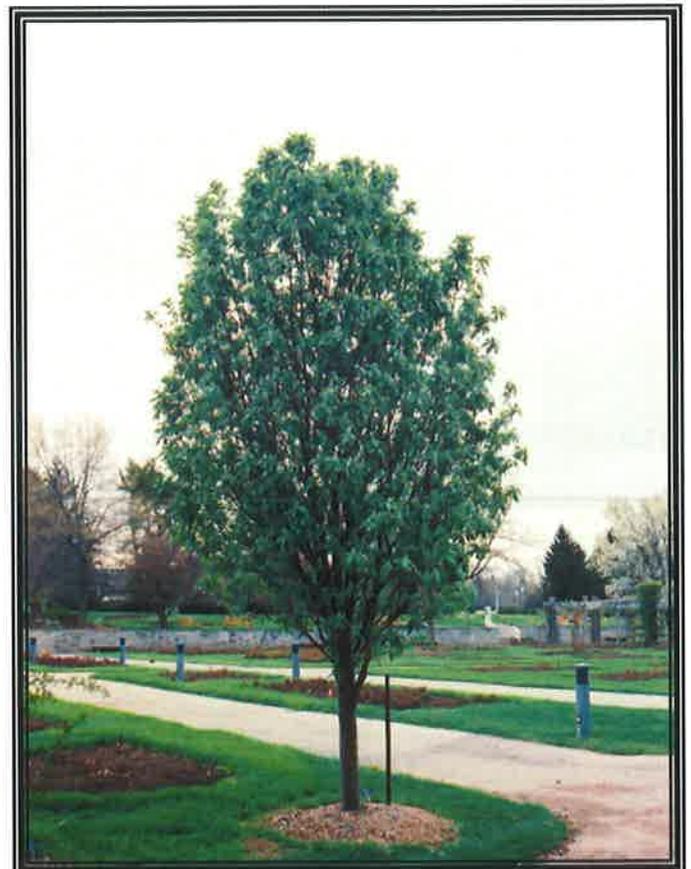
Prunus Sargentii 'Columnaris'
Columnar Sargent Cherry



Prunus cerasifera 'Krauter Vesuvius'
Purple Leaf Flowering



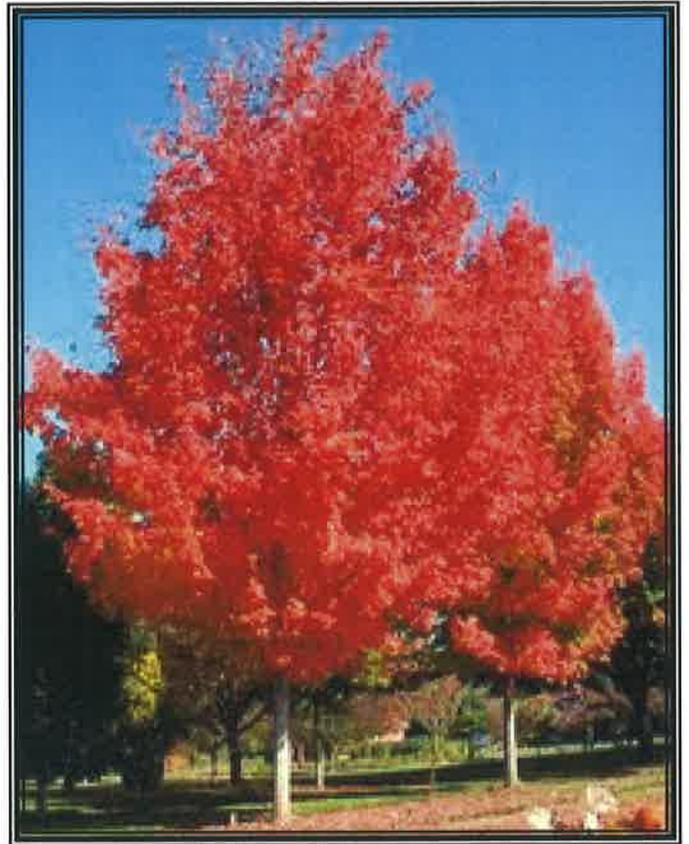
Prunus virginiana
Canada Red Chockcherry



Sorbus x hybrida 'fastigiata'
Columnar Mountain Ash



Syringa reticulata
Japaneses Tree Lilac



Acer saccharum 'Barrett Cole'
Apollo Sugar Maple

MEDIUM TREES



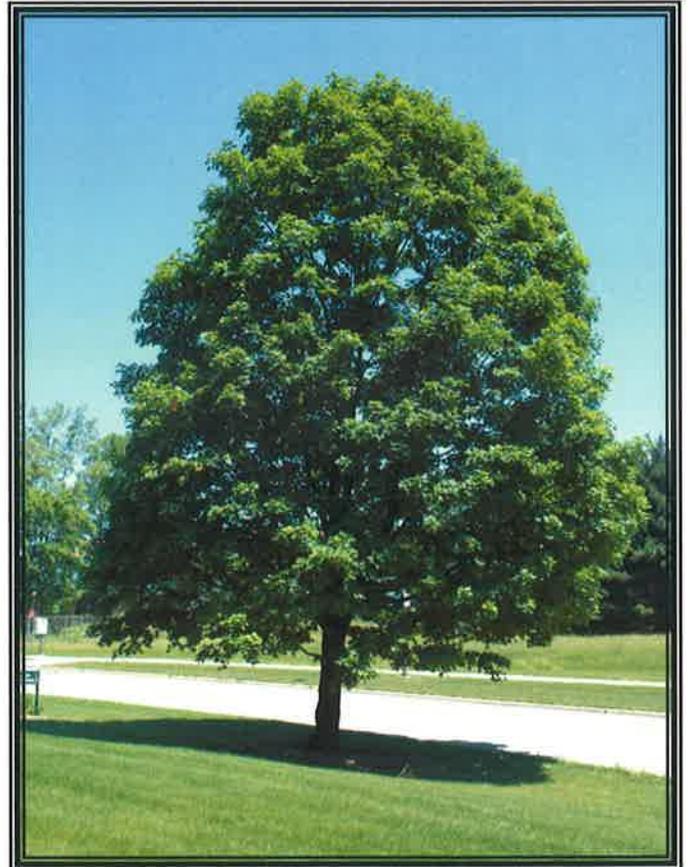
Acer buergeranum
Trident Maple



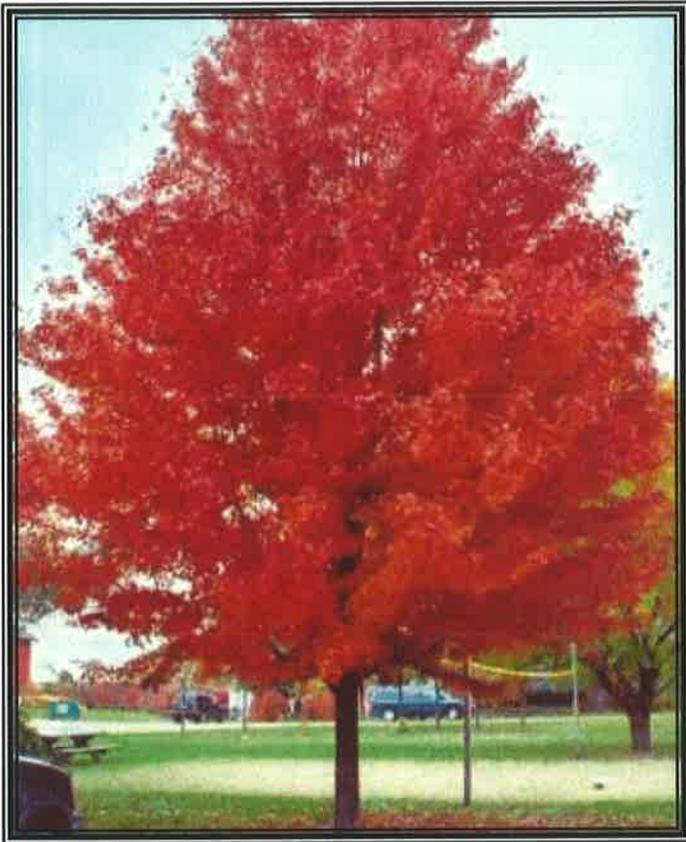
Acer rubrum 'Red Sunset'
Red Sunset Maple



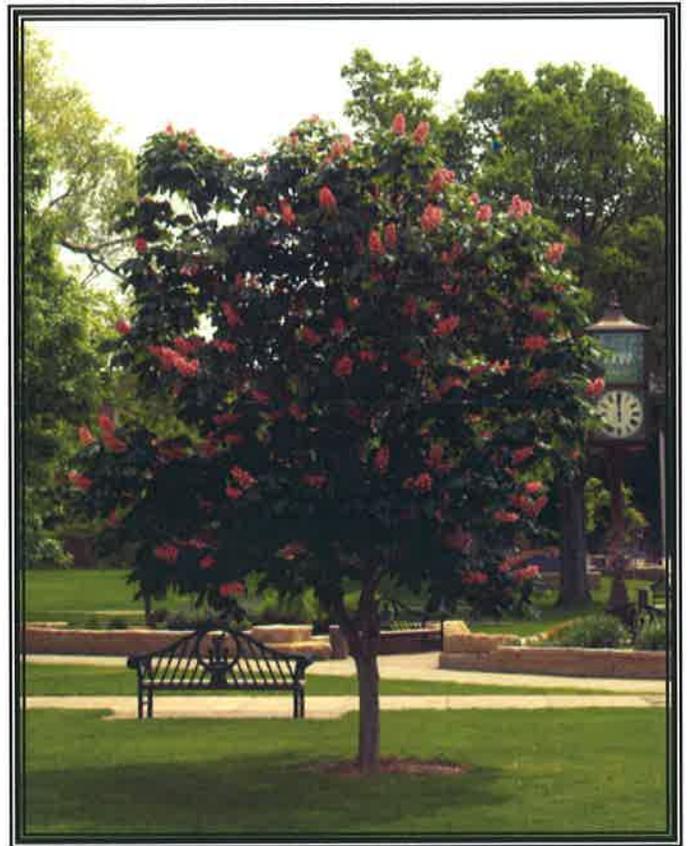
Acer rubrum 'October Glory'
October Glory Red Maple



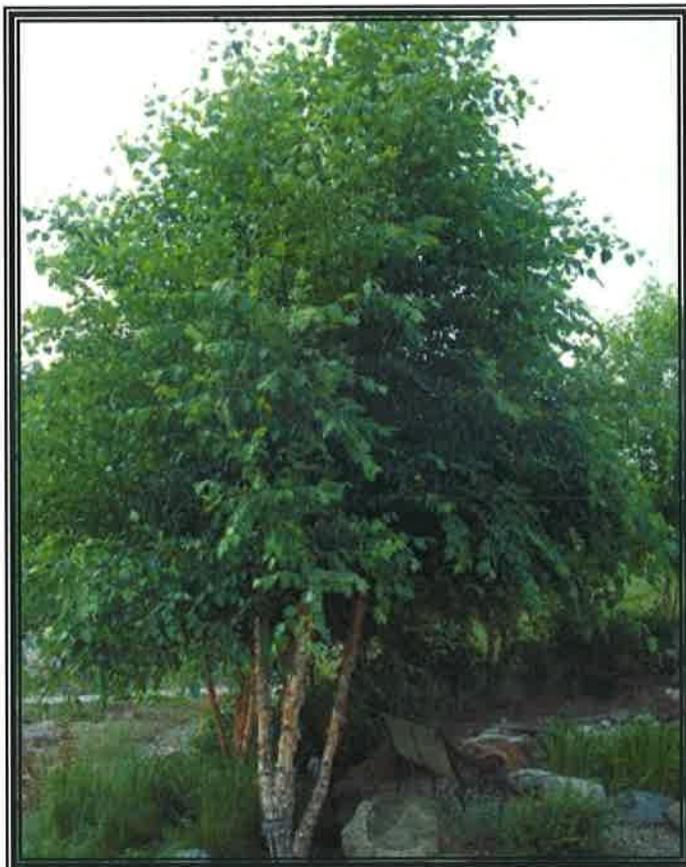
Acer saccharum
Green Mountain Sugar Maple



Acer x freemanii 'Jeffersred'
Autumn Blaze Maple



Aesculus x carena 'Briotii'
Red Horsechestnut



Betula nigra 'Heritage'
Heritage River Birch



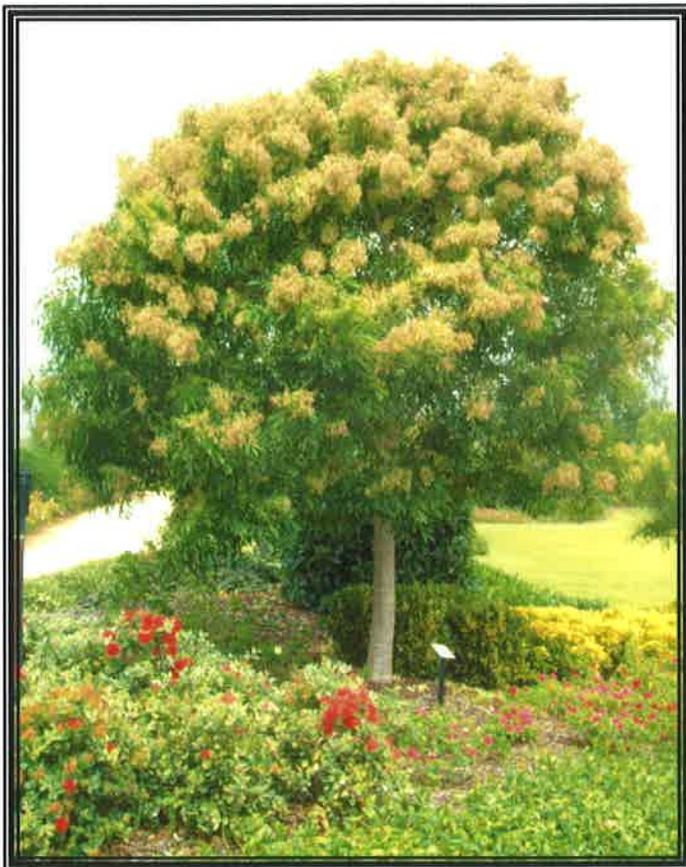
Carpinus betulus 'fastigiata'
European Hornbeam 'Fastigiata'



Corylus colurna
Turkish Filbert



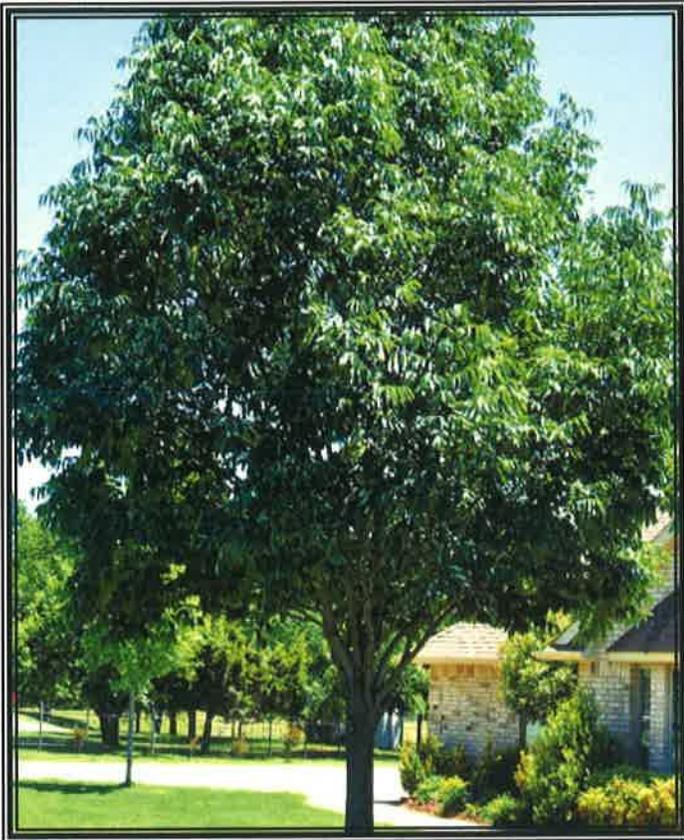
Fraxinus Americana 'Autumn Purple'
Autumn Purple White Ash



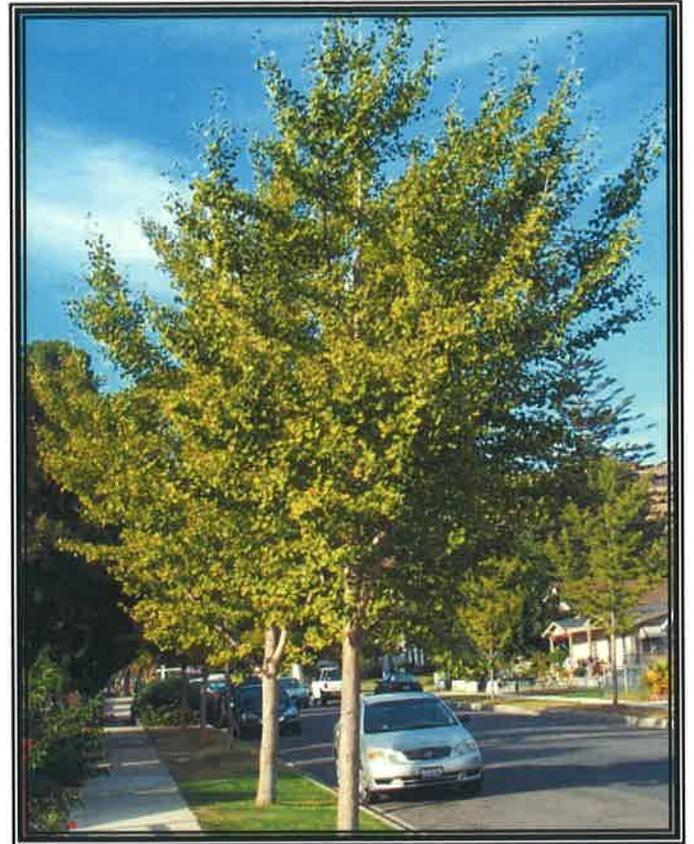
Fraxinus ornus
Flowering Ash



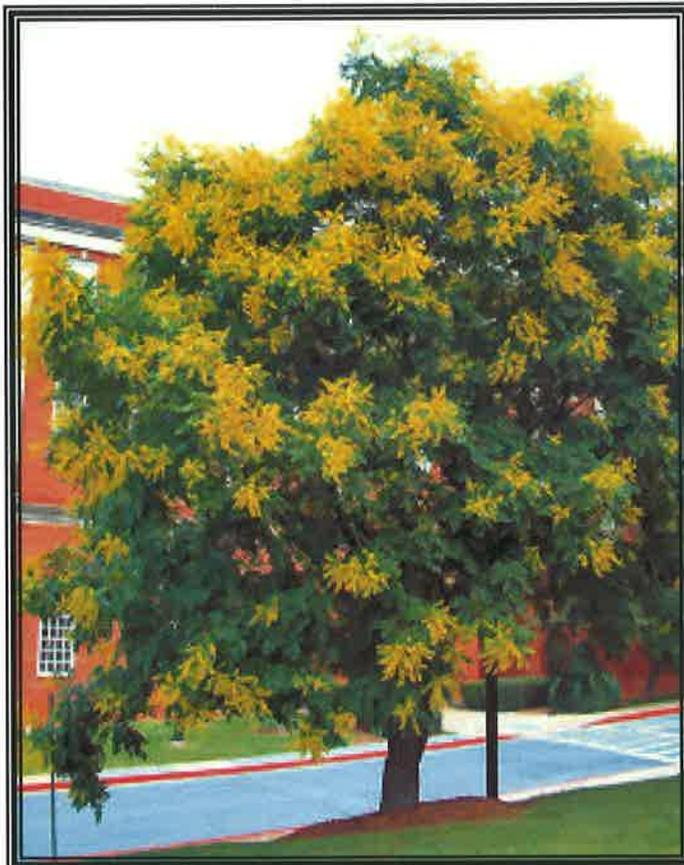
Fraxinus oxycarpa 'Raywood'
Raywood Ash



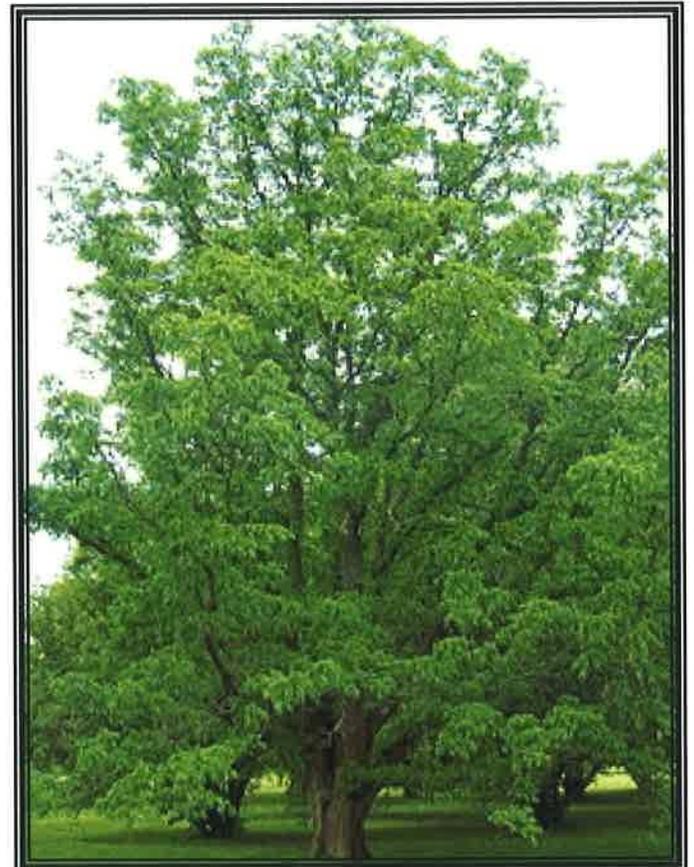
Fraxinus pennsylvanica
Urbanite Ash



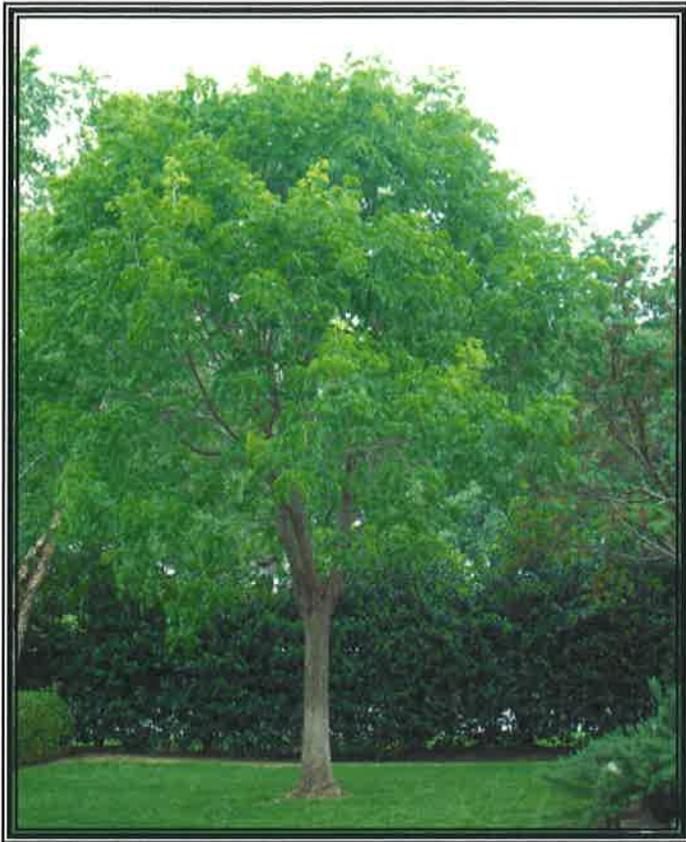
Ginkgo biloba 'Magyar'
Ginkgo Maidenhair



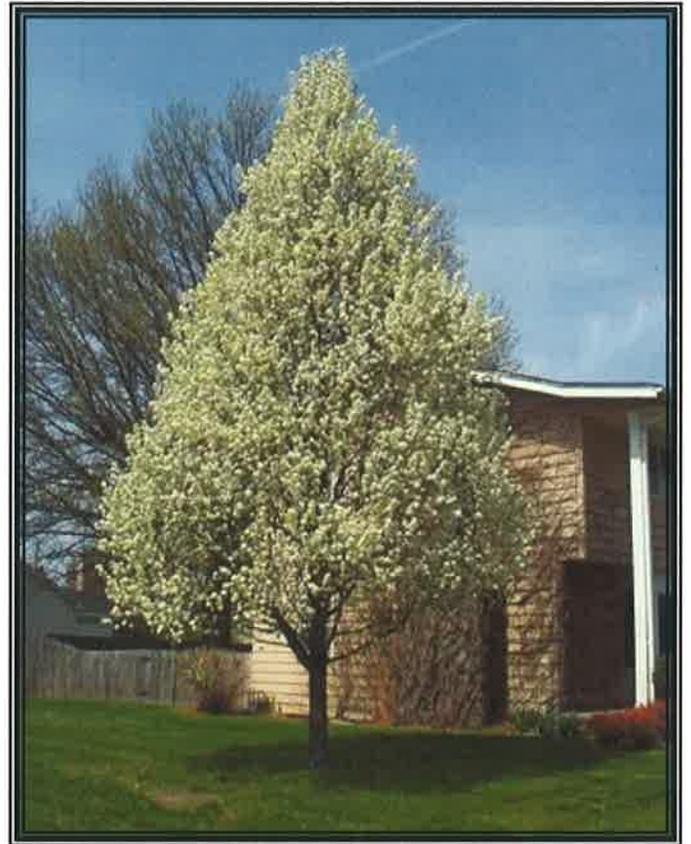
Koelreuteria paniculata
Golden Rain Tree



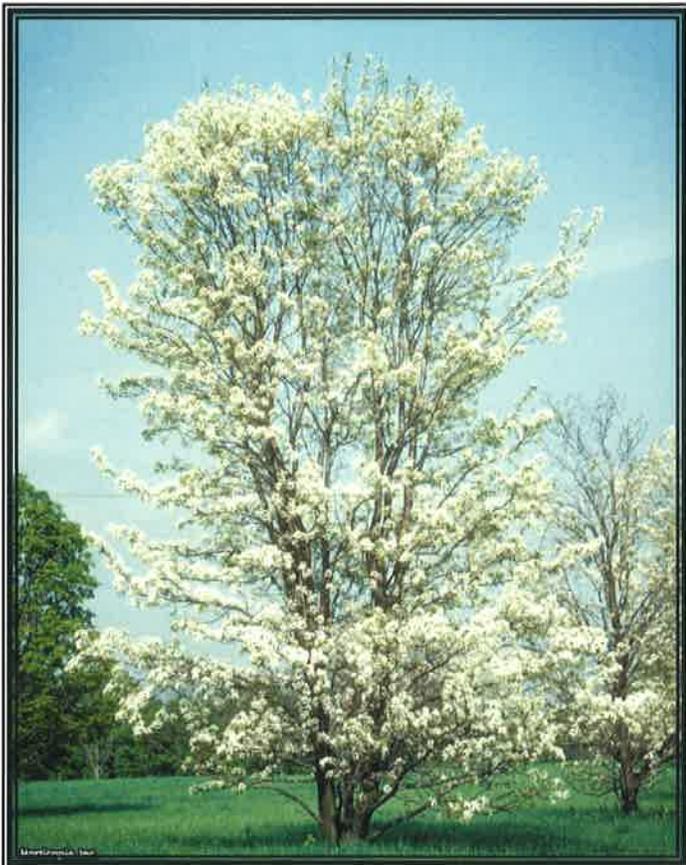
Phellodendron amurense "his maj-
esty" Amur Corktree



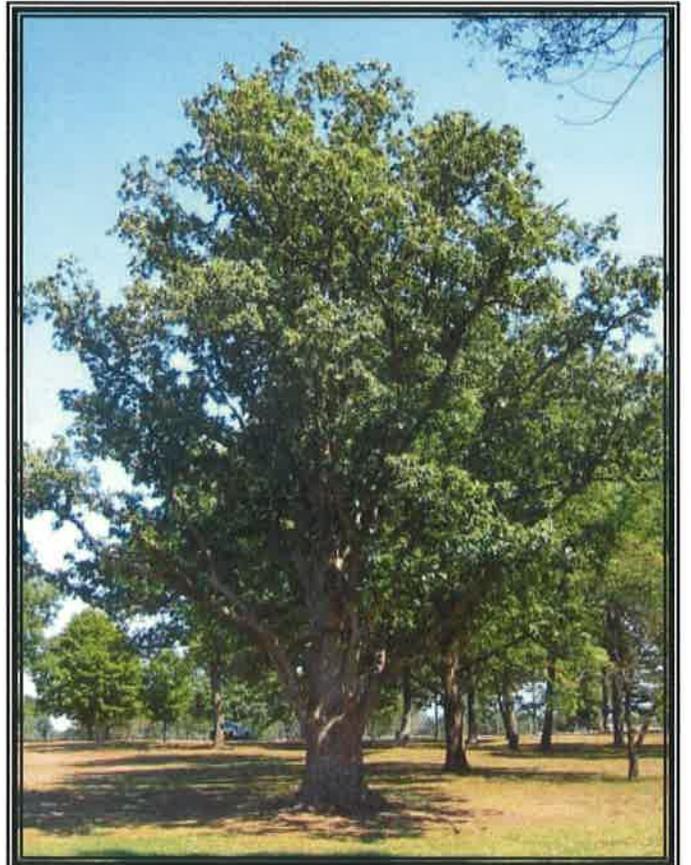
Pistacia chinensis
Chinese Pistache



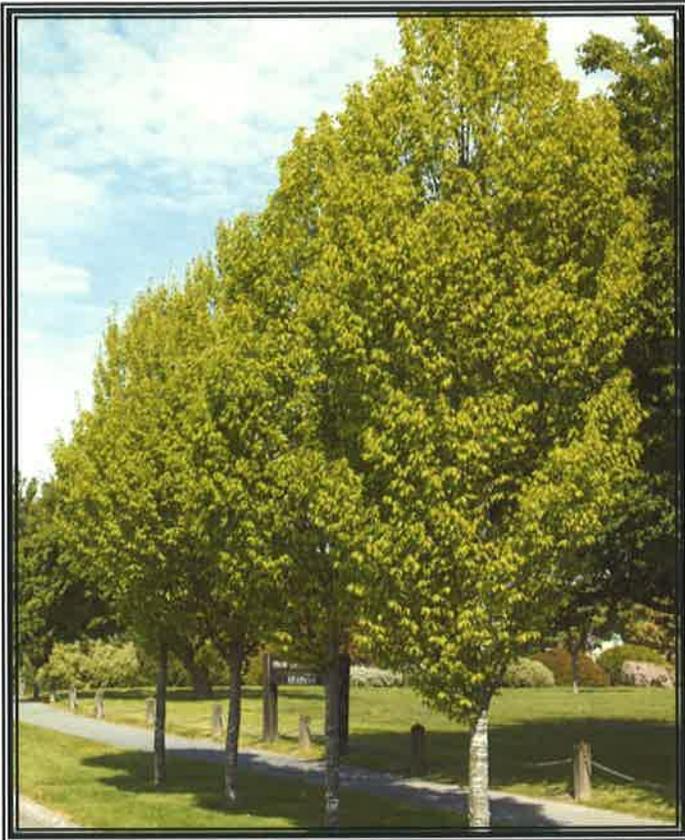
Pyrus calleryana 'capital or
chanticleer' Capital or Chanticleer
Flowering Pear



Pyrus calleryana 'aristocrat'
Aristocrat Callery Pear



Quercus muehlenbergii
Cinkapin Oak



Carpinus betulus 'frans fontaine'
Frans Fontaine Hornbeam



Fagus sylvatica 'dawyck purple'
Dawyck Purple Beech



Fagus sylvatica 'fastigiata'
Fastigate Beech



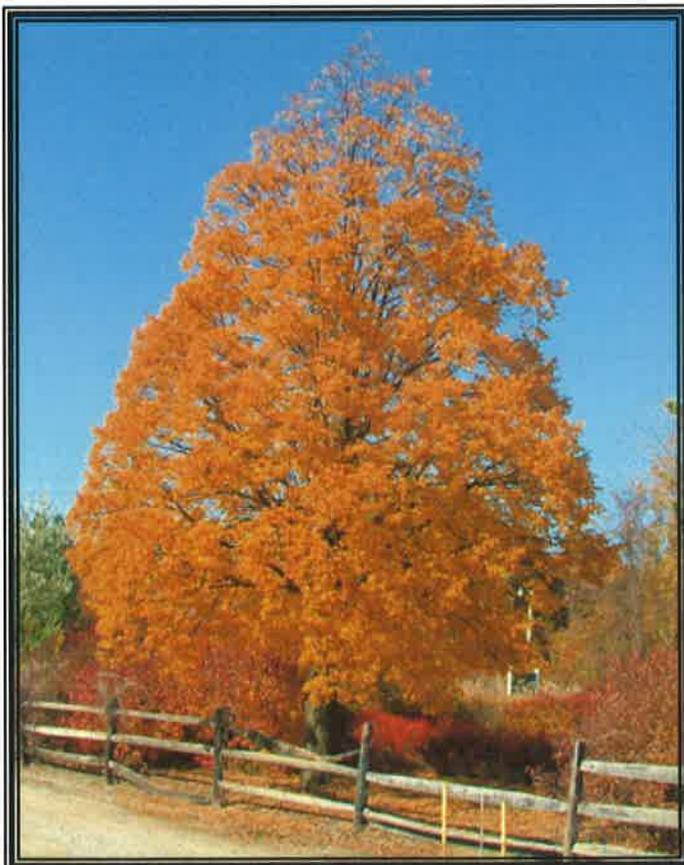
Liquidambar styraciflua
'slender silhouette'
Slender Silhouette Sweetgum



Liriodendron tulipifera 'fastigiatum'
Columnar Tulip Tree



Quercus palustris 'pringreen'
Green Pillar Oak



Tilia cordata 'corzam'
Corinthian Linden



Quercus robur x *Q. alba*
'crimschmidt'
Crimson Spire Oak

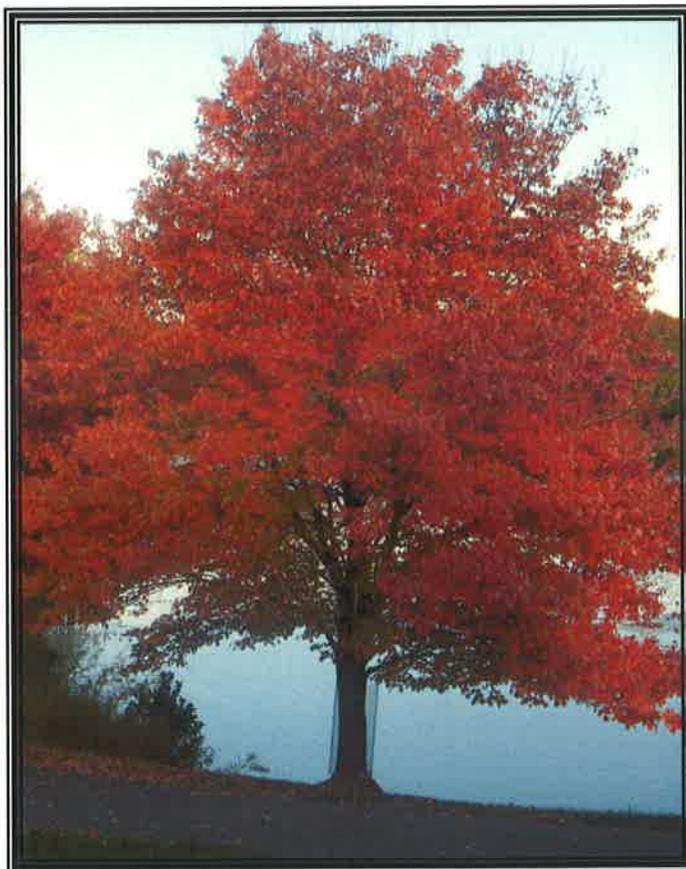
LARGE TREES



Acer platanoides 'columnar'
Columnar Norway Maple



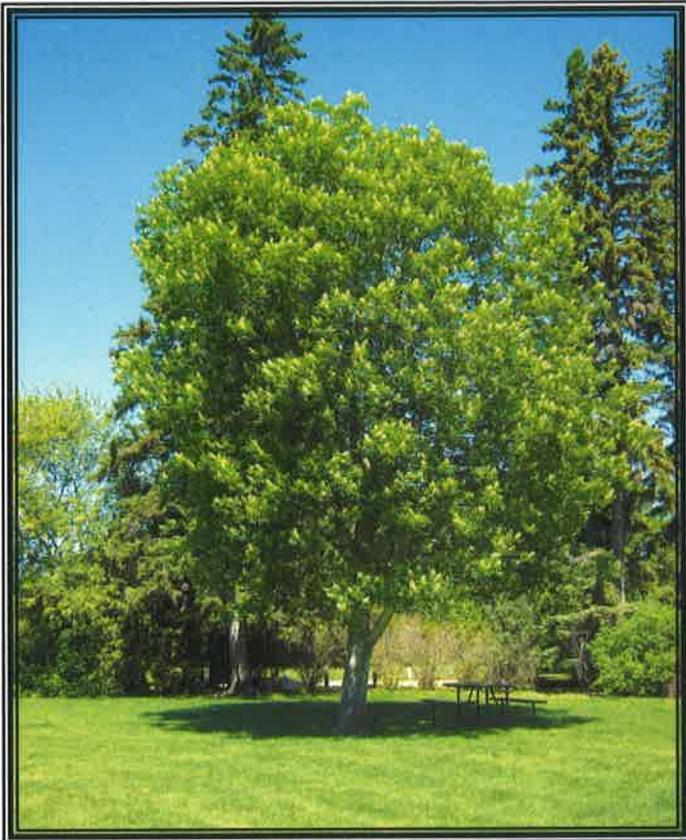
Acer pseudoplatanus
Sycamore Maple



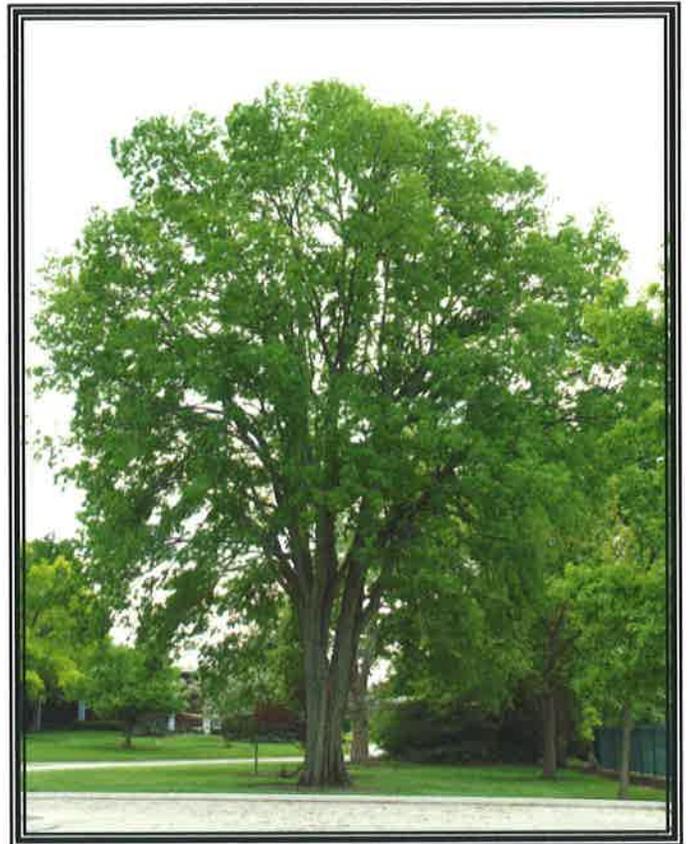
Acer rubrum
Red Maple



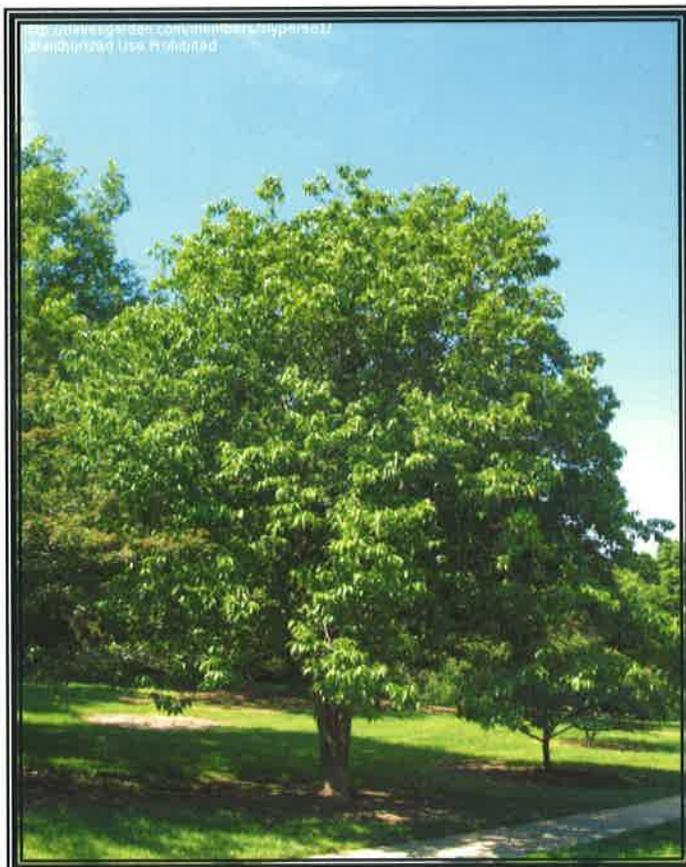
Acer rubrum 'armstrong'
Red Maple



Aesculus glabra
Ohio buckeye



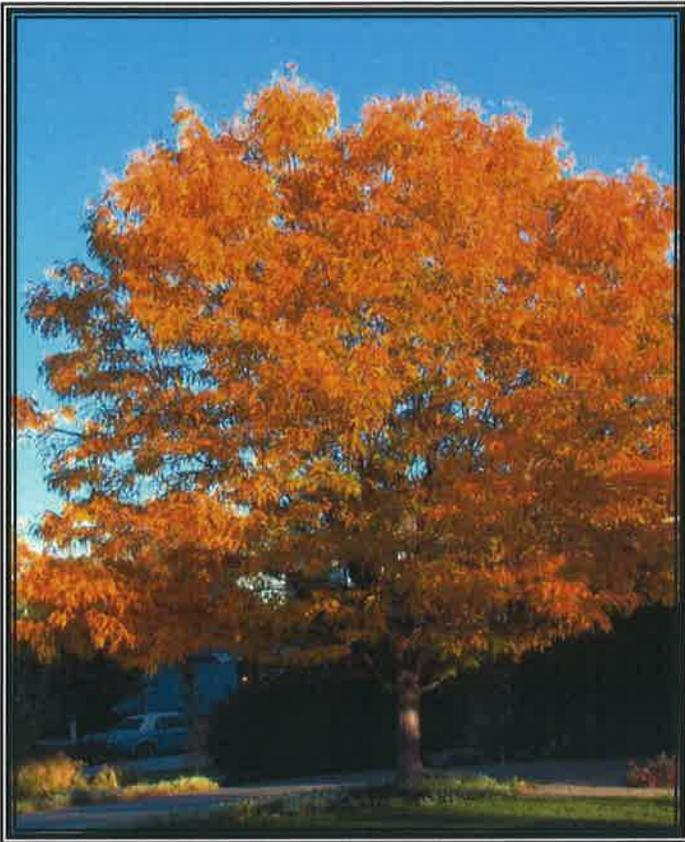
Celtis occidentalis
Common Hackberry



Eucommia ulmoides
Hardy Rubber Tree



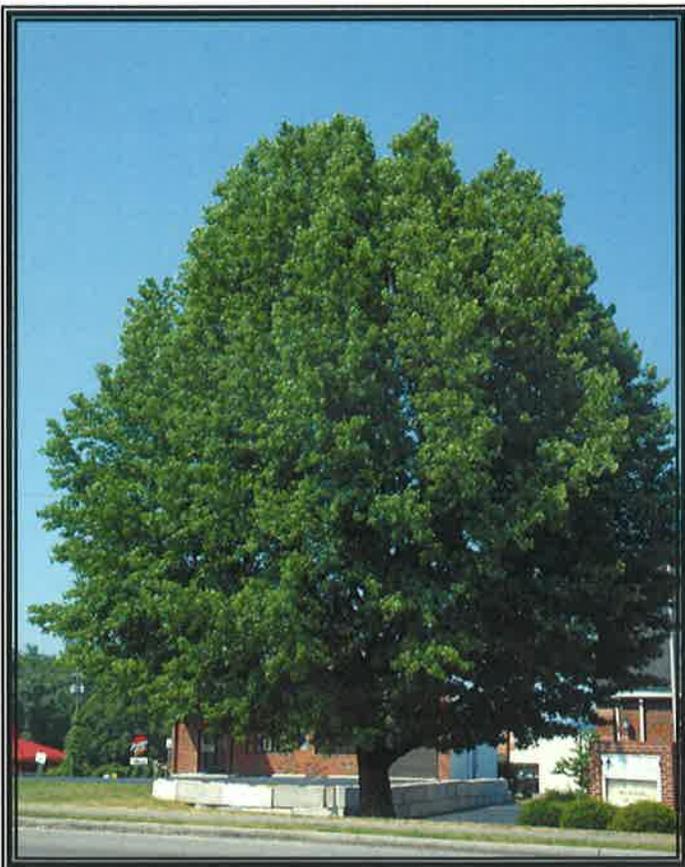
Fagus sylvatica
European beech



Gelditsia triacanthos var. *inermis*
'shademaster'



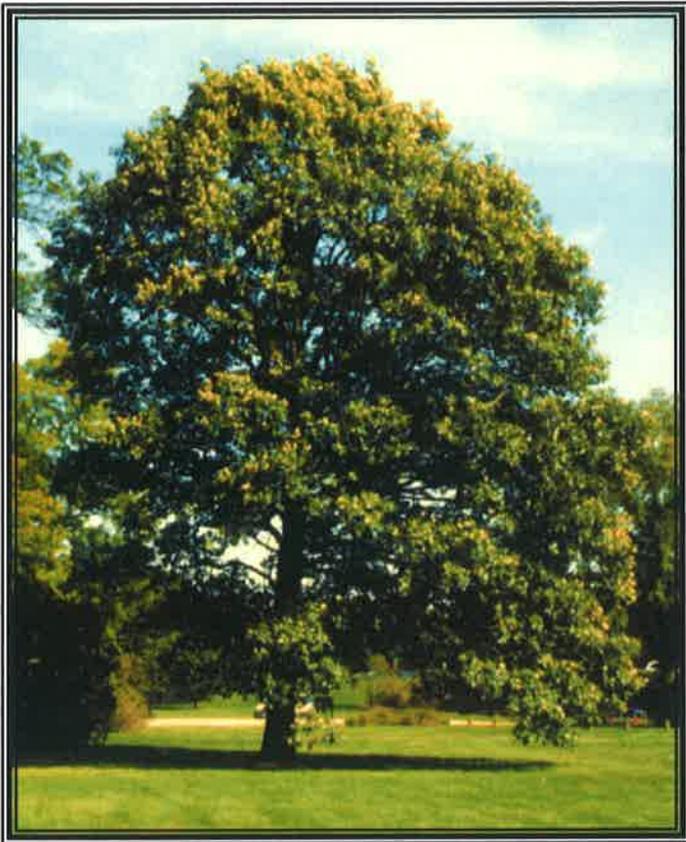
Gymnocladus dioica
Kentucky Coffeetree



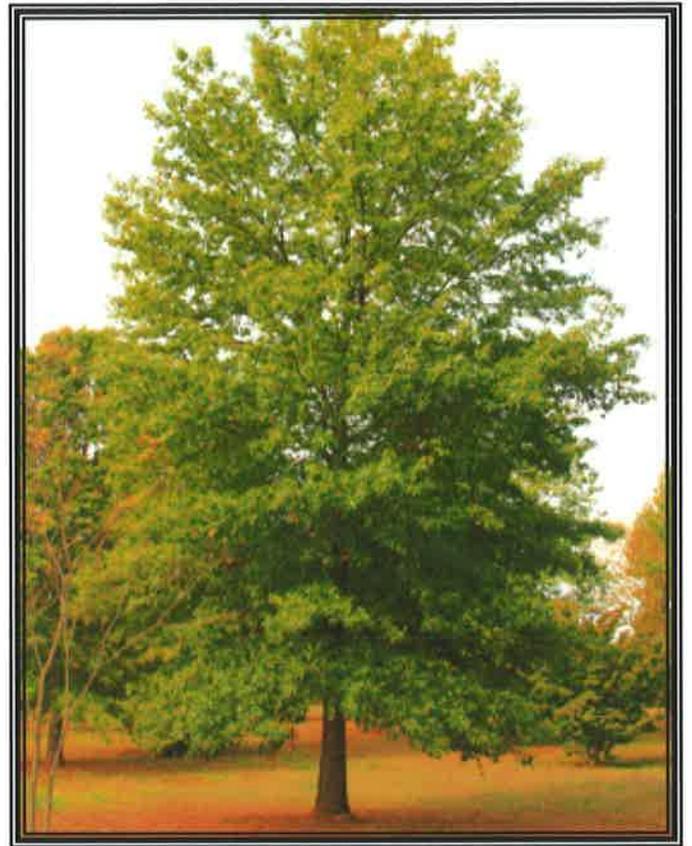
Liquidambar styraciflua
Moraine Sweetgum



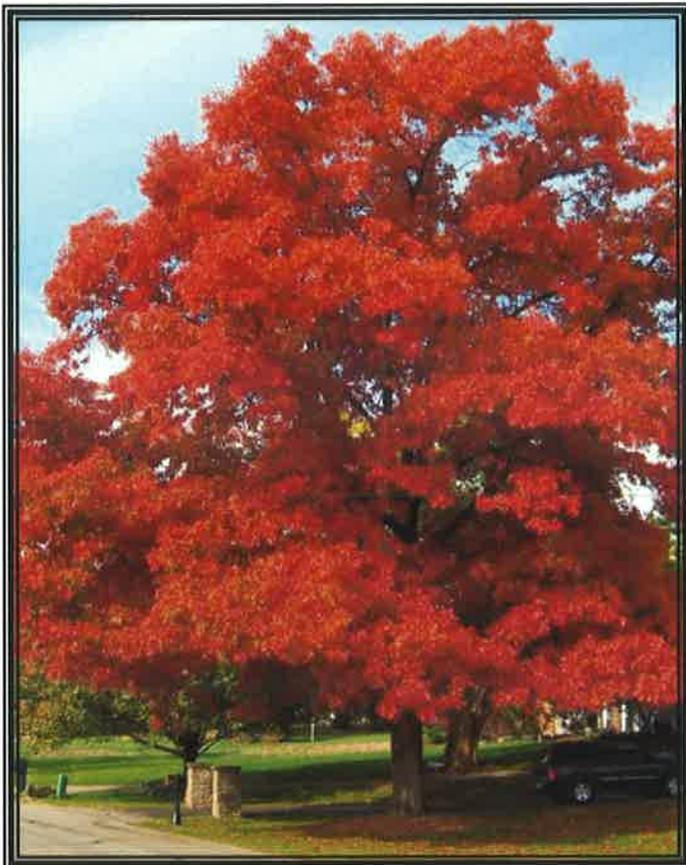
Liriodendron tulipifera
Tuliptree



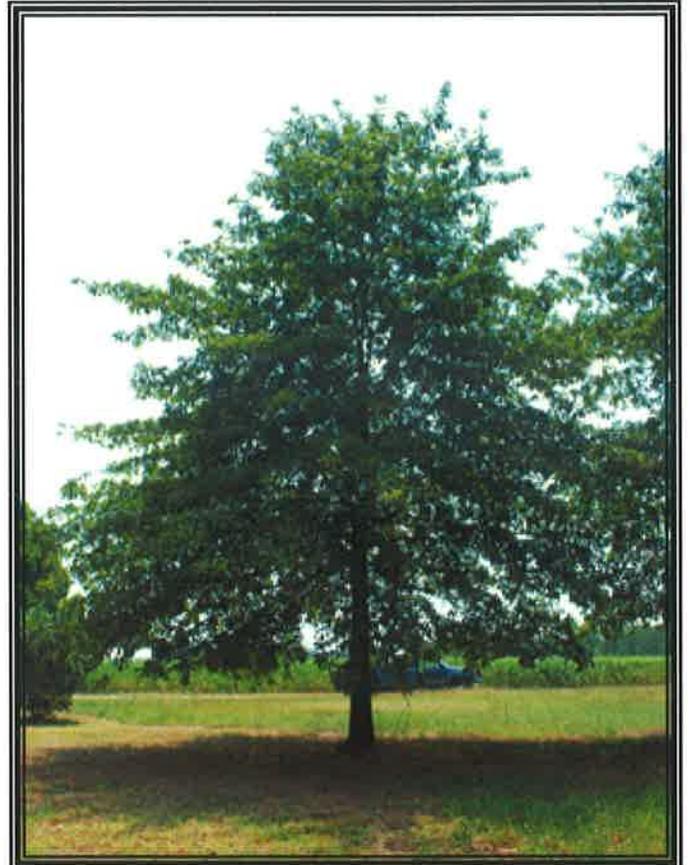
Platanus x acerifolia 'bloodgood'
London Planetree



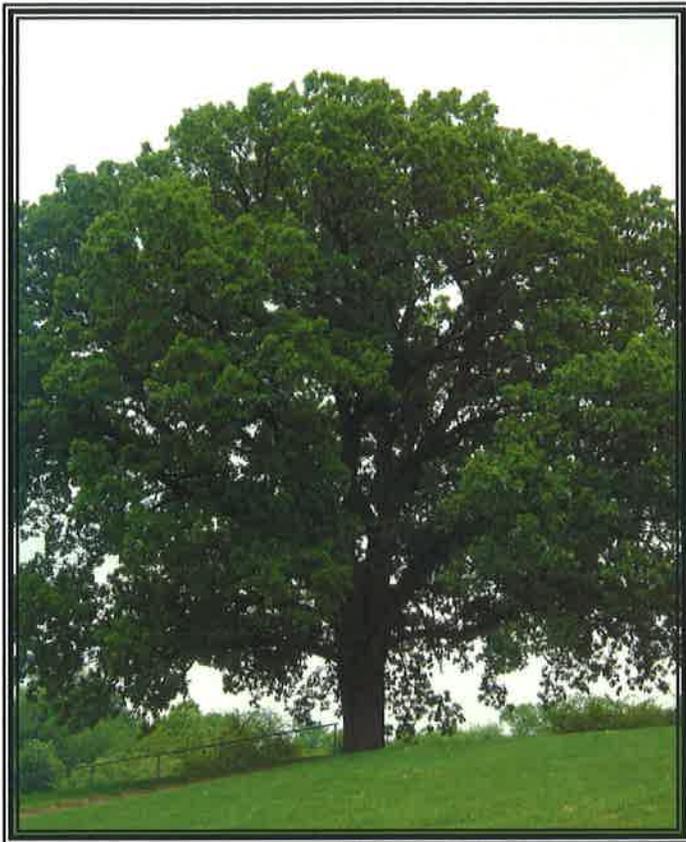
Quercus bicolor
Swamp White Oak



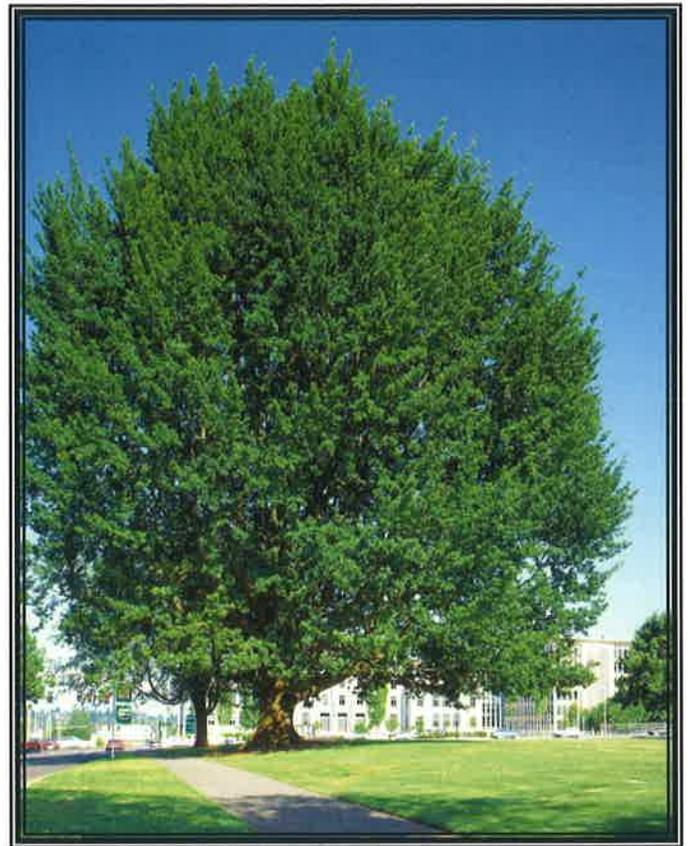
Quercus coccinea
Scarlet Oak



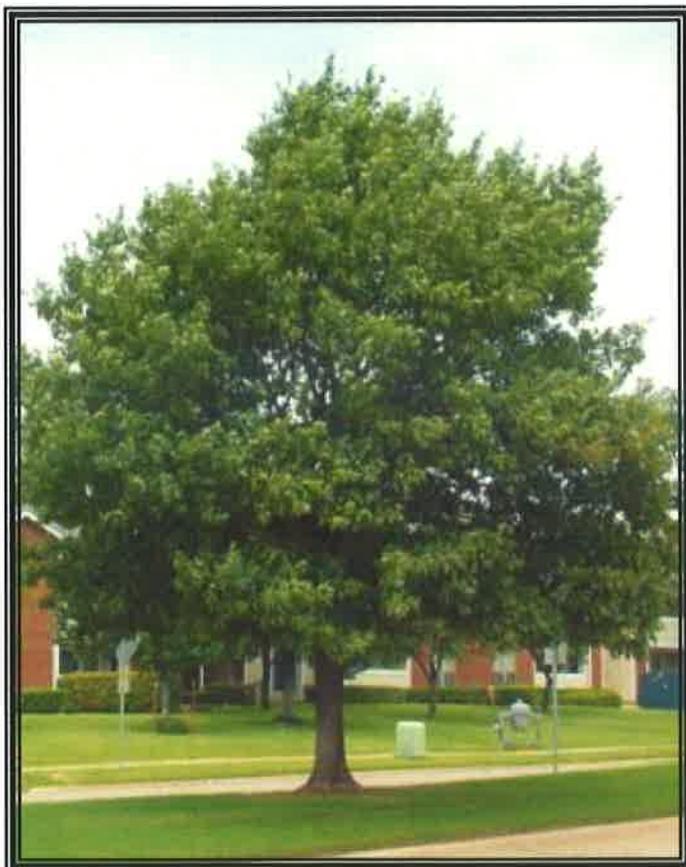
Quercus imbricaria
Shingle Oak



Quercus macrocarpa
Bur Oak



Quercus palustris
Pin Oak



Quercus rubra
Northern Red Oak



Ginkgo biloba
Princeton Sentry Ginkgo

Reviewed by: ~~____~~ City Administrator
~~____~~ City Attorney

- Motion only
- Public Hearing
- Resolution
- Ordinance
- Information

Submitted by: Theodore Friedline, Fire Chief

Action Date: January 15, 2014

CITY COUNCIL AGENDA ITEM

SUBJECT: Fire department update.

PRESENTED BY: Theodore Friedline, Fire Chief

SUMMARY: Chief Friedline will give a brief update of fire department operations, and near future plans.

FISCAL IMPACT: None

ACTION REQUESTED: None information only

ATTACHMENTS: Detailed fire department update

Susanville Fire Department Update

January 15, 2014

Personnel (current)

Paid

9 Total staff, including Chief, Battalion Chief, Admin Asst., 3 Captains, 1 Engineer, 2 Firefighters (currently 1 firefighter is temporary, covering for a deployed National Guard member).

Volunteer

26 firefighting, 4 support and 4 Explorers

Response

2013 Responses

| | |
|---------------------|-----|
| Fire | 66 |
| Rescue, EMS | 553 |
| Hazardous Condition | 16 |
| Service Call | 91 |
| Good Intent | 92 |
| False Alarm | 53 |
| Other | 4 |

Total 875

Personnel and equipment also responded with the California Offices of Emergency Services, for statewide mutual aid to the following incidents; Panther, Rim, Clover, Cedar, Swedes and Salmon River, for a total of approximately 23 days..

Prevention (2013)

| | |
|-----------------------------|----|
| Fire Safety Inspections | 52 |
| Code Compliance Inspections | 11 |

Training (2013)

Total Hours 1278 hours offered

In addition to regular training activities, paid and volunteer personnel attended specialty training including: Chief Officer, fire department finances, Emergency Medical Technician and Responder, Instructor, chainsaws, hazmat, terrorism, fire prevention, ethics and incident command.

Code Enforcement (2013)

| | |
|----------------|----|
| Complaints | 82 |
| 10-day Notices | 79 |
| Abatements | 24 |

Public Education (2013)

The department hosted an Open House on October 12, providing tours, rides, live fire and extrication demonstrations, free smoke detectors, food and other fun, which over 200 community members attended. Fire safety education included; Children's Fair, Lassen County Fair, fire extinguisher trainings, smoke detectors, school and fire station tours. In September the department partnered with AAA insurance and provided free smoke detectors to the community.

Fleet

| | |
|--------------------|---|
| Engines | 4 Type I (including OES 316), 1 Type II, 1 Type III |
| Trucks | 1 |
| Command | 2 |
| Utility | 3 |
| Crew Carrier | 1 |
| Hazmat | 1 |
| Prevention Trailer | 1 |

The fire department fleet passed all annual tests and inspections, including; mechanical, pump, hose, self-contained breathing apparatus and ladders. The department applied for a \$262,000 Assistance to Firefighters Grant (AFG), to replace self-contained breathing apparatus, this is the same grant applied for the previous year, which was denied.

Engine 621 is due for refurbishment, this has been budgeted for in the 2013-2014 fire department mitigation budget, and will be presented to Council for approval in the near future.

Facilities

Recent

- Exterior of facility painted using FCI Herlong volunteer labor.
- Laundry room and boiler rooms, walls and floors painted.
- Bathroom lighting and fan converted to automatic switching.

Upcoming

- Kitchen upgrades.
- Energy conservation planning to include: insulating exterior walls.

Other

Department members worked closely with inmates from FCI Herlong, Antelope Camp and Lassen County Jail to accomplish various City projects including; weed abatement on City properties, sandbag removal on Carol St, Uptown and Pancera Plaza clean-up, bench maintenance, facility paint, leaf clean-up, furniture refinishing, and heavy lifting. A priority list has been created by all departments and projects will continue to be scheduled and completed as personnel are available.

Reviewed by: ~~YAC~~ City Administrator
~~City~~ City Attorney

Motion only
 Public Hearing
 Resolution
 Ordinance
 Information

Submitted by: Jared G. Hancock, City Administrator

Action Date: January 15, 2014

CITY COUNCIL AGENDA ITEM

SUBJECT: Johnstonville Well Acquisition

PRESENTED BY: Jared G. Hancock, City Administrator

ANALYSIS: An oral update regarding the Johnstonville Well ownership transfer.

FISCAL IMPACT: None at this time.

ACTION REQUESTED:. Information Only

ATTACHMENTS: None.

Reviewed by: ~~JG~~ City Administrator
~~NY~~ City Attorney

Motion only
 Public Hearing
 Resolution
 Ordinance
 Information

Submitted by: Jared G. Hancock, City Administrator

Action Date: January 15, 2014

CITY COUNCIL AGENDA ITEM

SUBJECT: Demolition of Property located at 600 Nevada

PRESENTED BY: Jared G. Hancock, City Administrator

ANALYSIS: An oral update regarding the demolition of the structure will be provided at the meeting.

FISCAL IMPACT: None at this time.

ACTION REQUESTED: Information only.

ATTACHMENTS: None.