

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30



2014

CITY OF SUSANVILLE

City of Susanville
Comprehensive Annual Financial Report
For the year ended June 30, 2014

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Susanville, California 93130
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Fax (530) 257-4725

November 20, 2014

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, 2014 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, 2014 are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified 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. 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 needs.

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 stabilizing the assessed values of properties within the City. Assessed values declined in 2013-2014 by .5% as compared to 3.2% in 2012-2013. Property tax revenue increased in 2013-2014 with the City receiving the return of property tax administration fees that had been charged against the City's Triple Flip and VLF Swap. As a percentage of total revenue, property taxes accounted for approximately 28% of the general fund revenues in 2014 as compared to 19.1% in 2013, net of transfers. Sales tax comprised 22% of general revenues in 2014 as compared to 25.8% in 2013, net of transfers.

Economically the City is beginning to see retail growth with the additions of Ross, Dollar General, Big-5 Sporting Goods and the current building of Tractor Supply. The City has also been fortunate to see a discernible trend toward the stabilization in residential property values. The population for the City has remained consistent at just under 10,000 since 2000 with a modest .9% decline in total population (15,978 to 15,832, including inmate populations) from 2013 to 2014. Some of this decline can be attributed to our inmate population due to AB 109 and re-alignment. Government employment accounts for approximately 63% of the total labor 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.
- Programming of funding to implement the Gateway project to improve and add safety features along Highway 36 and Main Street
- Begin the first phase of replacing water lines throughout the City using the reserves created by the increase in water rates in 2008.
- The City and County have formed the Honey Lake Valley Recreation Authority and have committed to building a community 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.

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

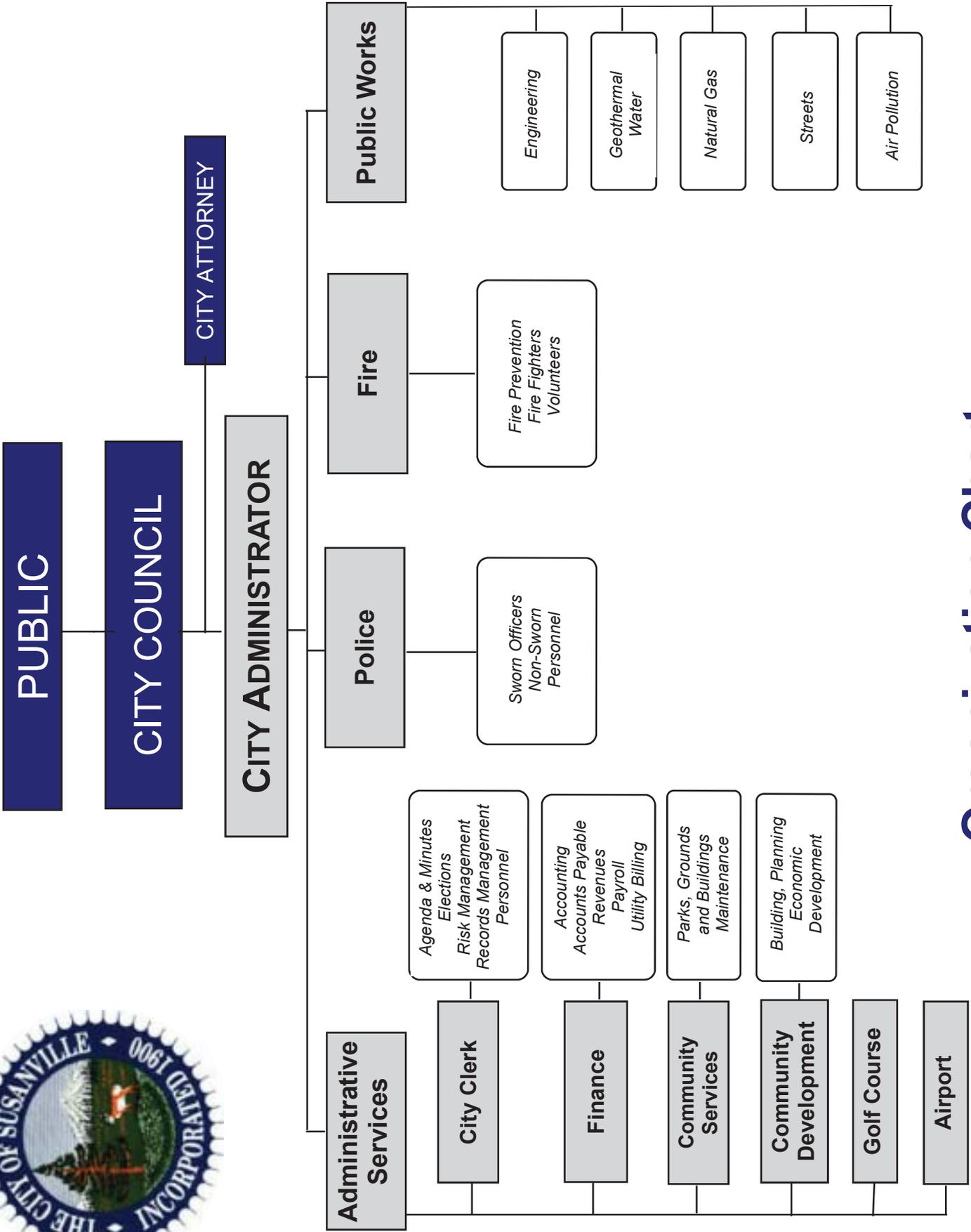
Respectfully submitted,

Jared G Hancock

Jared G Hancock
City Administrator

Deborah Savage

Deborah Savage
Finance Manager



Organization Chart



City Council

Fiscal Year 2013-14

Mayor

Brian Wilson

Mayor Pro-Tempore

Nicolas McBride

Council Members

Lino Callegari

Kathie Garnier

Rodney E. DeBoer

City of Susanville
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	Dan Newton

California Society of Municipal Finance Officers

Certificate of Award

***Outstanding Financial Reporting Award
Fiscal Year Ending June 30, 2013***

Presented to the

City of Susanville

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

February 13, 2014

Pauline Marx

Pauline Marx
CSMFO President

Ken Brown

Ken Brown, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-21 and 90-92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 99 and 114 to 135, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules on pages 99 and 114 to 135 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 the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Badawi and Associates
Certified Public Accountants
Oakland, California
November 20, 2014

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City of Susanville
Management's Discussion & Analysis
Year Ended June 30, 2014

This is the management's discussion and analysis of the financial performance of the City of Susanville for the fiscal year ended June 30, 2014. Please read this in conjunction with the transmittal letter, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

BASIC FINANCIAL STATEMENTS

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

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

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

Government-Wide Financial Statements

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

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

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

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

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

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

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

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

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

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

Governmental Fund Financial Statements

GAAP requires two basic governmental fund financial statements:

- Governmental Funds Balance Sheet

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

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

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

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

A budgetary comparison is presented for the General Fund 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. The overall net position of the City shows a large decrease as compared to the previous year due to prior period adjustments to comply with GASB 65. The Governmental Activities net position were restated by \$4,878,504 for reporting of pension related obligation and bond cost of issuance. The Business Activities net position were restated by \$547,581 for bond issuance cost. 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 (restated) by \$10.1 million as of June 30, 2013 (\$3.7 million for governmental activities and \$6.4 million for business-type activities), and by \$12 million as of June 30, 2014 (\$4.5 million for governmental activities and \$7.5 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, 2013 and 2014.

Table A-1
Government-wide Net Position as of June 30, 2013 and 2014
Governmental Activities

	<u>2013</u>	<u>2014</u>
Cash & investments	\$ 4,123,985	\$ 5,767,105
Capital assets	4,086,182	3,748,514
Other assets	3,780,497	2,677,493
	<u>11,990,664</u>	<u>12,193,112</u>
Deferred Outflows of Resources		67,324
Current liabilities	1,165,115	996,584
Non-current liabilities	2,215,534	6,721,635
	<u>3,380,649</u>	<u>7,718,219</u>
Net investment in capital assets	2,012,346	1,857,866
Restricted	4,087,019	4,440,352
Unrestricted	2,510,650	(1,756,001)
Prior Period Adjustment	(4,878,504)	
	<u>\$ 3,731,511</u>	<u>\$ 4,542,217</u>
	=====	=====

Table A-2
Government-wide Net Position as of June 30, 2013 and 2014
Business-type Activities

	<u>2013</u>	<u>2014</u>
Cash & investments	\$ 9,976,479	\$ 10,239,091
Capital assets	30,111,041	29,886,569
Other assets	1,113,670	1,159,878
	<u>41,201,190</u>	<u>42,106,367</u>
Deferred Outflows of Resources		820,829
Current liabilities	1,089,496	1,086,816
Non-current liabilities	33,104,657	33,487,731
	<u>34,194,153</u>	<u>34,574,547</u>
Net investment in capital assets	(488,623)	(3,222,304)
Restricted	2,446,070	2,445,921
Unrestricted	5,049,590	8,308,203
Prior Period Adjustment	(547,581)	
	<u>\$ 6,459,456</u>	<u>\$ 7,531,820</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, 2013 and 2014 in Tables B-1 and B-2 below.

Table B-1
Changes in Government-wide Net Position
For the Fiscal Years Ended June 30, 2013 and 2014
Governmental Activities

	<u>2013</u>	<u>2014</u>
<u>Expenses (by function):</u>		
General government	\$ 787,118	\$ 943,178
Public safety	3,249,421	3,373,503
Streets	2,580,926	1,006,322
Protective inspections	214,070	237,433
Community services	240,801	328,807
Community development	405,626	141,523
Debt service	116,906	289,184
	<u>7,594,868</u>	<u>6,319,950</u>
<u>Program revenues (by major source):</u>		
Charges for services	289,305	506,677
Operating grants and contributions	994,075	1,096,669
Capital grants and contributions	1,736,845	896,293
	<u>3,020,225</u>	<u>2,499,639</u>
<u>General revenues and transfers:</u>		
Property taxes	859,457	1,455,797
Sales & use taxes	1,162,834	1,118,328
Transient lodging taxes	379,119	400,724
Franchise taxes	24,493	49,776
Business license taxes	226,004	221,939
Other taxes	45,175	39,786
Property tax in lieu of sales tax	428,017	384,924
Property tax in lieu of VLF	1,362,579	1,335,361
Investment earnings	12,535	34,761
Miscellaneous	0	0
Transfers	(562,239)	(410,379)
	<u>3,937,974</u>	<u>4,631,017</u>
Change in net position	(636,669)	810,706
Net position, beginning of year	<u>9,246,684</u>	<u>3,731,511</u>
(Prior Period Adjustment)	(4,878,504)	
Net position, end of year (restated)	\$ 3,731,511	\$ 4,542,217
	=====	=====

Table B-2
 Changes in Government-wide Net Position
 For the Fiscal Years Ended June 30, 2013 and 2014
Business-type Activities

	2013	2014
<u>Expenses (by function):</u>		
Airport	\$ 236,959	\$ 219,979
Water	2,041,448	1,989,849
Geothermal	48,214	57,744
Natural gas	4,052,356	4,170,689
Golf course	429,898	350,476
Total expenses	6,808,875	6,788,737
<u>Program revenues (by major source):</u>		
Charges for services	7,320,711	7,370,671
Operating grants and contributions	38,574	0
Capital grants and contributions	99,685	61,354
Total program revenues	7,458,970	7,432,025
<u>General revenues and transfers:</u>		
Use of money and property	18,103	18,698
Miscellaneous	0	0
Transfers	562,239	410,379
Total general revenues and transfers	580,342	429,077
Change in net position	1,230,436	1,072,365
Net position, beginning of year, as restated (Prior Period Adjustment)	5,776,600 (547,581)	6,459,455
Net position, end of year	\$ 6,459,455	\$ 7,531,820

The fiscal year 2013-14 annual budget was prepared and approved on time and became effective July 1, 2013. As with most cities in the State of California, we are still dealing with reduced revenues from prior years. The budget was adopted with a deficit spending of \$19,000 for a one-time project. 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, 2014, the total cash and investments for all funds increased by \$2,557,614 (from \$14,100,462 to \$16,658,076). The primary reasons for this increase are:

- The Natural Gas Fund cash increased by \$373,737 (from \$5,012,481 to \$5,386,218). This increase is due mostly from lower costs for purchasing Natural Gas, the additional customer base 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 met this requirement one year earlier than anticipated.
- General Fund cash increased by \$1,683,136 (from \$919,868 to \$2,603,004) during fiscal year 2013-14. This increase is primarily due to the return of a Due from other funds (STIP) that had to borrow \$1,216,468 from the General Fund while awaiting reimbursement from the State, \$5,695 from the Airport Fund, the pay-off of the Golf Course Loan \$ 239,000 and increasing our reserve cash by \$179,000.
- The loan made from the Risk Management fund to the Golf Course Fund was paid off, increasing its cash by \$240,000. The City also received a SCORE (self-insurance) dividend payment of \$104,000. The City then transferred \$732,000 in accumulated dividend payments to the CalPERS debt service fund.

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 2013-14:

General Fund

The General Fund ended fiscal year 2013-14 with an increase in fund balance of \$191,523 (from \$2,148,010 to \$2,339,533) compared to the prior year. This increase represented an improvement over fiscal year 2012-13 operating results when there was a \$3,212 decline in fund balance. The City received \$540,000 in additional property tax revenue in fiscal year 2013-14. This included the City's portion of a tax sharing agreement and the return of property tax admin fees that had been charged for the triple flip and vehicle license fee swap. This allowed the City to pay off loans that had been issued for the Golf Course, set aside \$178,000 in the reserve funds and accomplish some one time projects.

For the year, General Fund total revenues exceeded total expenditures (excluding transfers) by \$1,066,097, as compared to \$767,204 for fiscal year 2012-13.

Total General Fund revenues increased from the prior year by \$504,566 (from \$5,061,387 to \$5,588,003).

Compared to prior year, the General Fund expenditures increased by \$227,726 (from \$4,294,183 to \$4,521,909). This is primarily due to a \$200,000 increase in civic promotions for the Honey Lake Valley Recreation Authority.

Gas Tax Special Revenue Fund

This fund accounts for gas tax revenue received from the State of California and is used for street purposes within the City. The Gas Tax Fund ended fiscal year 2013-14 with an increase in fund balance of \$202,500 (from \$382,204 to \$584,704) compared to the prior year. This increase is primarily due to large reimbursement for 2012-13 snow removal activities of \$111,000 and minimal snow removal expenses for the 2013-14 year due to an abnormally dry winter. The City also received an additional \$84,000 from the Lassen County Regional Transportation Commission for some upcoming street projects. The City's gas tax allocations from the State came in \$61,000 less than the state originally projected.

STIP Capital Rehabilitation Capital Project Fund

This fund accounts for expenditures of the 2013 Susanville Rehabilitation B Project funded through the State Transportation Improvement Program. During fiscal year 2013-14, the fund received reimbursement revenue from the State of \$763,508 that covered the negative fund balance of \$478,663 from 2012-2013 and reimbursed the City for the 2013-14 expenditures of \$280,755, leaving a positive fund balance of \$4,090. The final phase of this project, the rehabilitation of Laurel Street will be completed in 2014-15.

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 2013-14:

Water Enterprise Fund

At June 30, 2014, the Water Fund beginning balance was restated by (\$113,283) to \$2,678,444 as required by GASB 65. The ending net position shows an increase of \$260,055 (from \$2,678,444 to \$2,938,499).

Overall the assets of the water fund decreased by (\$56,056). This is primarily due to a decrease in cash of (\$146,093), a decrease in inventory of (\$56,391), decreases in prepaids and interest receivable (\$5,626) and an increase of accounts receivable of \$83,036, an increase in capital assets of \$182,235 and the removal of the cost of issuance that was booked as a prior period adjustment. With the completion of the residential and small commercial meter conversion project, the City can now utilize its

remote read hand held devices that allow routes to be read in one day versus the 5 to 6 days of walking the routes. The decrease in inventory, increase in capital assets and decrease in cash are also tied to the completion of this project. The City has been setting aside cash received from the rate increase in 2008 to be used for capital improvements.

Total Water Fund revenues decreased by \$53,325 from the previous year. From \$2,333,534 to \$2,280,209 and expenses decreased by \$16,009 from \$2,046,448 to \$2,030,439.

There were approximately 3,805 water customer accounts at June 30, 2014. This increased by 2 new meter sets.

As with most cities and counties within the State of California, we have been experiencing severe drought conditions. The City has been lucky to escape the drought issues that have plagued most of Central and Southern California. The City's water supply is fed from two natural springs and 3 wells. Although the City receives most of its water supply from the natural springs, the City had to adopt Stage 2 of its Water Shortage contingency plan on August 20, 2014 to comply with the Emergency Water Regulations adopted by the State of California. We will be monitoring the effect of this on revenues in the next fiscal year.

Natural Gas Enterprise Fund

At June 30, 2014, the Natural Gas system beginning net position was restated by (\$434,298) for compliance with GASB 65. The Natural Gas Fund reduced its net position deficit by \$387,879 during fiscal year 2013-14 (from negative \$627,772 to negative \$239,893).

Total Assets decreased by \$278,715, primarily due to removal of \$434,298 associated with Cost of Issuance, an increase in inventory of \$113,356 (new radio devices to convert existing meters to remote read meters), a reduction in depreciable assets of \$318,911 and an increase in cash of \$373,737. This increase in cash is \$649,117 less than last year as the debt service payments are increasing now that the \$1,807,075 rate stabilization fund is fully funded and the cost of natural gas increased when the City as well as most of country was in a deep freeze in the month of February. The City had to purchase additional gas on the open market when prices were higher to cover the increased usage due to the extreme cold.

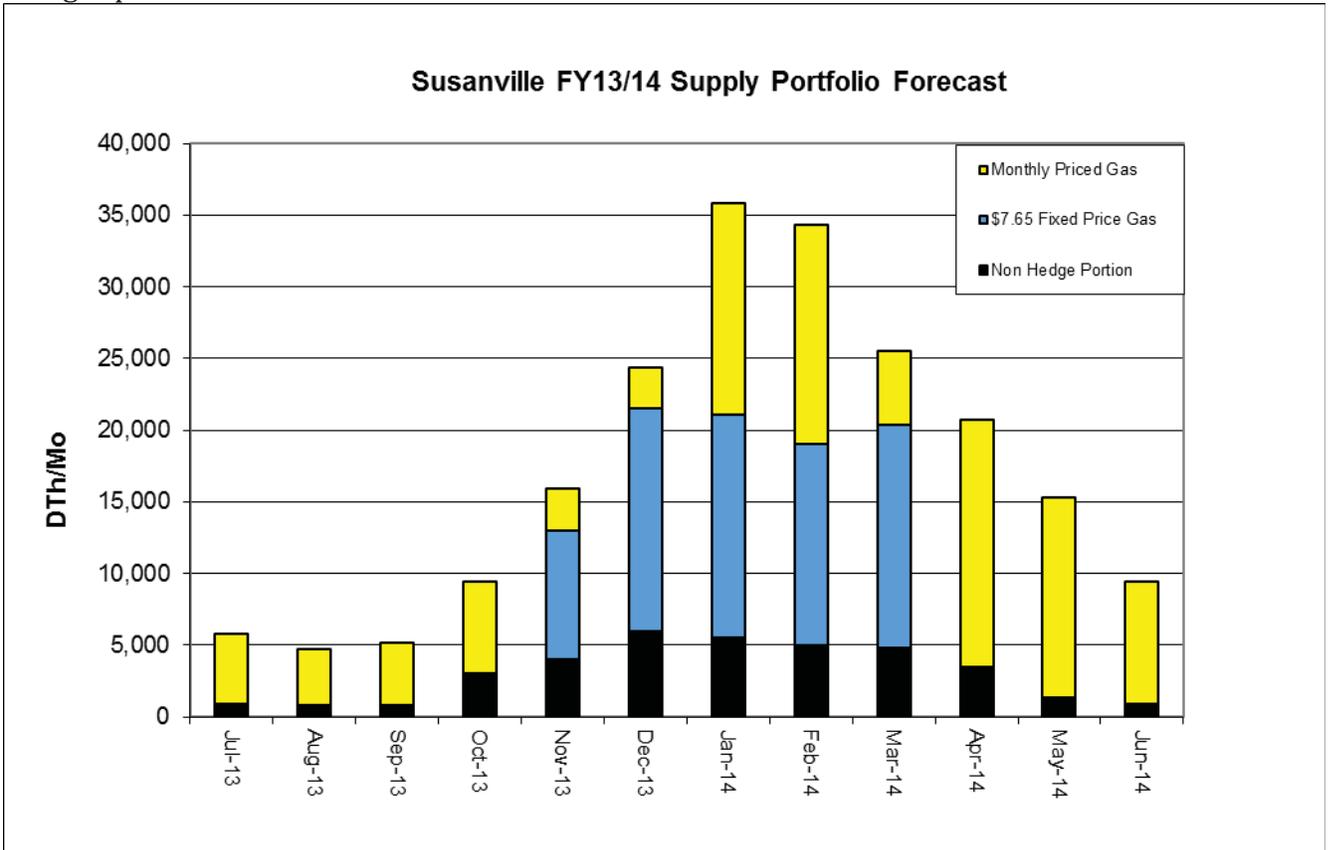
Total liabilities decreased by \$232,296, primarily due to a decrease in revenue bonds payable of \$193,163, a decrease in accounts payable of \$55,823 and an increase in customer deposits payable of \$19,249.

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 City reduced the gas rates charged to customers by .06

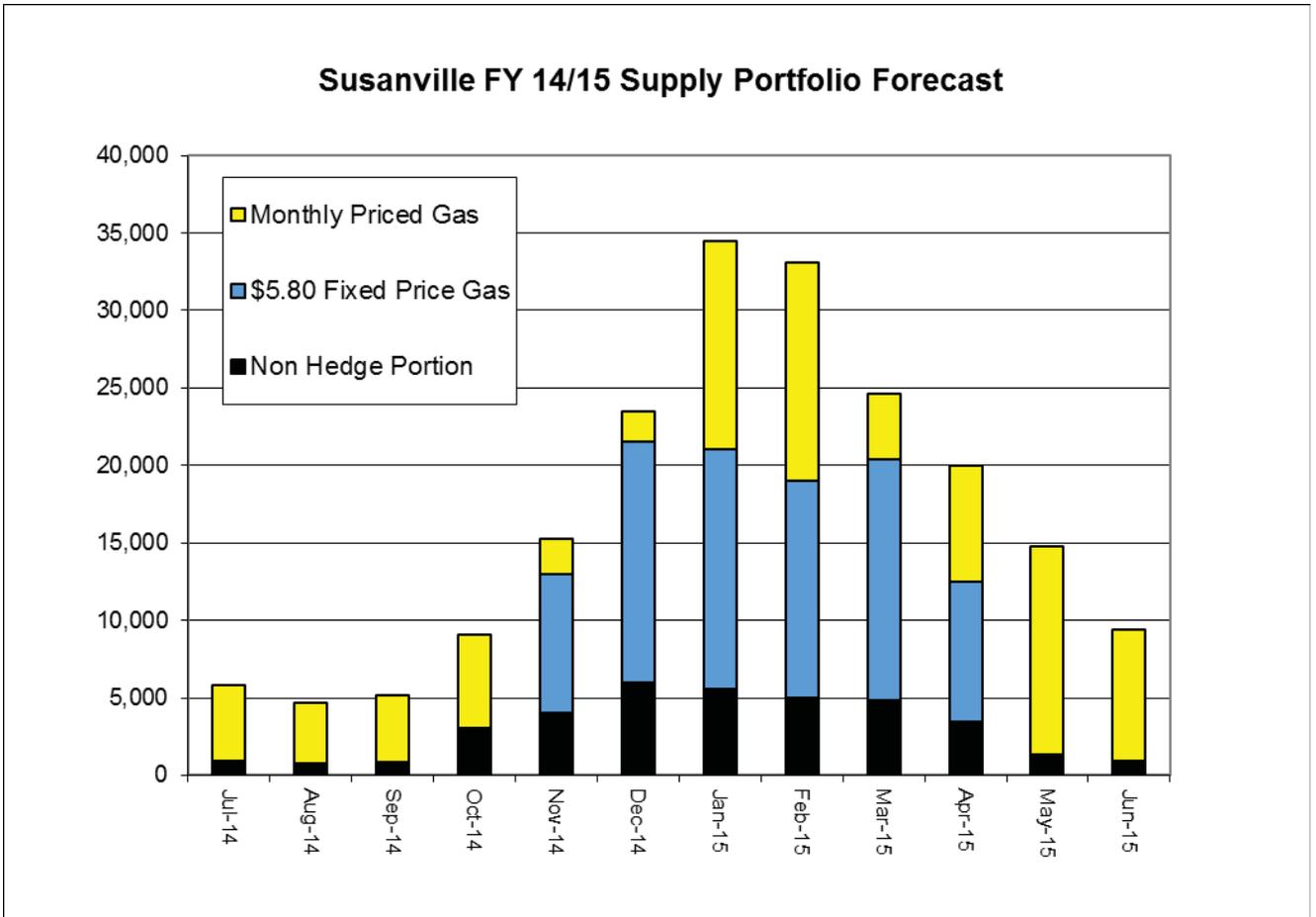
cents per therm effective July 1, 2013. This temporary rate reduction became permanent in June 2014.

During fiscal year 2013-14, 174 new customers were added to the system, bringing the total to 3,075 for an approximate 6% increase. These new customers will require an estimated 70,300 additional gas therms.

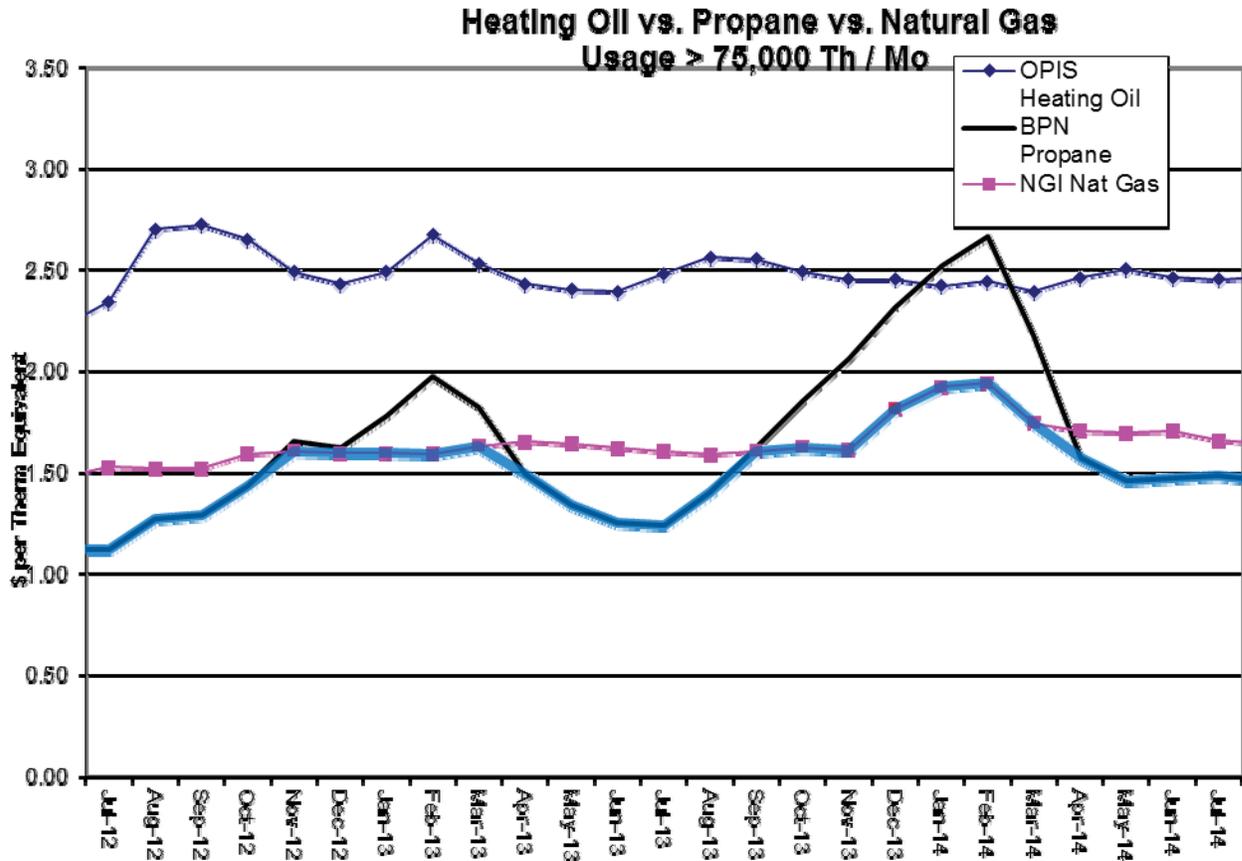
The gas purchased in FY 2013-14 was as follows:



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 2014-15 supply portfolio as follows:



Historically, the cost of natural gas has been lower than its competition (propane, electricity, kerosene and heating oil) in the winter months. This year, the cost of natural gas continued to be lower than its competition during these key heating months, allowing our system to continue to grow.



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.

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	\$4,951,809	\$5,730,919	\$ 779,110	\$5,588,003	\$ (142,916)
Expenditures	(4,789,121)	(4,935,173)	(146,052)	(4,521,906)	413,267
Other financing sources and (uses):					
Transfers in	5,000	29,674	24,674	29,678	4
Transfers out	(187,126)	(904,262)	(717,136)	(904,252)	10
Net change in fund balance	<u>\$(19,438)</u>	<u>\$(78,842)</u>	<u>\$(59,394)</u>	<u>\$191,523</u>	<u>\$270,361</u>
	=====	=====	=====	=====	=====

After the original 2013-14 budget was adopted, the City Council approved several budget amendments. Changes were as follows:

		<i>Increases (Decreases)</i>
Revenues	\$ 24,674	Increase for Resolution 13-4996 Prop 30/AB 109
	1,700	Increase for Resolution 13-4996 Sale of Mini 14 Rifles
	160,000	Increase for Resolution 13-4988 Out of Area Fires
	(70,311)	Decrease VLF Swap and Triple Flip revenue projections
	(53,335)	Decrease Indian Rancheria Public Safety Contribution
	41,057	Increase various revenue projections
	400,000	Increase for PTA fee settlement with County
	<u>300,000</u>	Increase for One Time Tax Sharing of Dyer Mountain
	803,785	Net Revenue Changes
Expenditures	24,674	Increase for Resolution 13-4996 Prop 30/AB109
	9,302	Increase for Resolution 13-4998 Memorial Park CIP
	200,000	Increase for City Contribution to HLVRA JPA
	80,000	Increase for Resolution 13-4988 Out of Area Fires
	203,901	Increase for Resolution 13-5031 Trn Out to PERS Debt Svc
	1,700	Increase for Resolution 13-4996 Sale of Mini 14 Rifles
	468,235	Increase for Resolution 14-5041 Pay Off Golf Course Loan
	45,000	Increase for Resolution 14-5048 City Hall Parking Lot Proj
	(170,185)	Decrease for net payroll changes at mid-year budget
	<u>20,000</u>	Increase for Resolution 14-5036 Police Enforcement
	<u>882,627</u>	Net Increase in Expenditures
	<u>\$(78,842)</u>	Net Change in Budget

As of June 30, 2014, total General Fund actual revenues were \$5,565,953 or \$164,966 less than budgeted. This variance is primarily due to projections of sales tax, property tax and out of area fires coming in lower than anticipated at the mid-year review.

Actual expenditures were \$4,935,173 or \$413,264 less than budgeted. This was due primarily as a result of salary savings from unfilled vacant positions, lower PERS costs due to the payoff of the City's side fund liability, and judicious departmental spending.

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 and straight line depreciation methods.

The City's primary capital project in 2013-14 was 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 2013-14, the Water Fund spent \$491,080 on this project.

Long-term Debt Activity

The principal amount of the City's outstanding debt at June 30, 2014 was as follows:

2010 Refunding Revenue Bonds	\$33,440,000	Secured by natural gas and water revenues
Miller Fletcher Bonds	500,000	Secured by property assessments
City Hall Bonds	1,457,972	Secured by 2013 lease financing agreement with Compass Bank
U.S. Department of Agriculture Note	856,000	Secured by Water Fund Infrastructure
2013 CalPERS Refunding Loan	\$4,859,000	Secured by General Fund gross revenues

Scheduled principal repayments of \$710,367 were made during fiscal year 2013-14. All debt service principal and interest payments are current.

SUMMARY OF KNOWN FACTS, DECISIONS AND CONDITIONS

On December 5, 2013, the City entered into an agreement with Lassen County to form the Honey Lake Valley Recreation Authority (HLVRA) JPA. The City and the County have committed to an annual contribution of \$200,000 each for 15 years for the construction and operation of a new community pool.

As many other cities in California, the City of Susanville's ability to provide services to the public has been affected by balancing our budget with hiring constraints to offset flat or declining revenues. It has been a slow process coming out of the recession, however the City is experiencing new growth in retail construction and new businesses becoming established. With this new growth and the stabilization of declining assessed property values, (assessed property values only declined .5% in 2013-14 as compared to 3.2% in 2012-13) the City is anticipating positive changes in some of its major revenue sources. Due to the limitations imposed on California cities by Proposition 13 and 218 in generating new revenues, the City continues to look for alternate revenue sources.

The City Council adopted the budget for fiscal year 2014-15 on July 1, 2014. The budget reflects Council priorities and maintains the same level of services provided in fiscal year 2013-14. The General Fund expenditures budget for fiscal year 2014-15 is \$267,195 or 5.3% more than the prior fiscal year. The increase (from \$4,976,247 in fiscal year 2013-14 to \$5,243,442 in fiscal year 2014-15) reflects the City contribution to the HLVRA JPA and an increased transfer out to the Airport for the grant match for the runway rehab project. California Department of Transportation was unsure at budgeting time if the grant funding would be available from the State. General Fund revenues are projected to increase 4.2%.

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, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 5,767,105	\$ 7,793,170	\$ 13,560,275
Accounts receivable	641,653	757,168	1,398,821
Interest receivable	3,057	4,236	7,293
Prepaid expenses	19,776	4,008	23,784
Inventory	54,714	222,208	276,922
Deposits	-	75,000	75,000
Total current assets	6,486,305	8,855,790	15,342,095
Noncurrent assets:			
Loans receivable	1,306,413	-	1,306,413
Investments in bonds with fiscal agent	500,000	-	500,000
Restricted cash and investments with fiscal agents	151,880	2,445,921	2,597,801
Prepaid bond insurance	-	97,258	97,258
Capital assets:			
Non-depreciable	3,230,764	3,985,255	7,216,019
Depreciable, net	517,750	25,901,314	26,419,064
Total capital assets	3,748,514	29,886,569	33,635,083
Total noncurrent assets	5,706,807	32,429,748	38,136,555
Total assets	12,193,112	41,285,538	53,478,650
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	67,324	820,829	888,153
Total deferred outflows of resources	67,324	820,829	888,153
LIABILITIES			
Current liabilities:			
Accounts payable	202,098	143,526	345,624
Accrued wages	90,010	24,189	114,199
Accrued interest	149,789	157,867	307,656
Deposits payable	86,058	203,025	289,083
Unearned revenue	-	48,986	48,986
Capital lease payable	-	-	-
Early retirement incentive - due within one year	44,640	-	44,640
Sick leave conversion payable - due within one year	6,144	-	6,144
Compensated absences - due within one year	29,206	9,223	38,429
Notes payable - due within one year	-	15,000	15,000
Revenue bonds payable - due within one year	388,639	485,000	873,639
Total current liabilities	996,584	1,086,816	2,083,400
Noncurrent liabilities:			
Early retirement incentive - due in more than one year	83,700	-	83,700
Sick leave conversion payable - due in more than one year	23,000	-	23,000
Compensated absences - due in more than one year	186,602	58,029	244,631
Notes payable - due in more than one year	-	841,000	841,000
Revenue bonds payable - due in more than one year	6,428,333	32,588,702	39,017,035
Total noncurrent liabilities	6,721,635	33,487,731	40,209,366
Total liabilities	7,718,219	34,574,547	42,292,766
NET POSITION			
Net investment in capital assets	1,857,866	(3,222,304)	(1,364,438)
Restricted	4,440,352	2,445,921	6,886,273
Unrestricted	(1,756,001)	8,308,203	6,552,202
Total net position	\$ 4,542,217	\$ 7,531,820	\$ 12,074,037

See accompanying Notes to Basic Financial Statements.

City of Susanville
Statement of Activities
For the year ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 943,178	\$ 103,486	\$ 66,494	\$ -	\$ 169,980
Public safety	3,373,503	52,593	351,040	-	403,633
Streets	1,006,322	1,715	679,135	896,293	1,577,143
Protective inspections	237,433	117,560	-	-	117,560
Community services	328,807	178,785	-	-	178,785
Community development	141,523	52,538	-	-	52,538
Interest on long-term debt	289,184	-	-	-	-
Total governmental activities	6,319,950	506,677	1,096,669	896,293	2,499,639
Business-type activities:					
Airport	219,979	81,680	-	61,354	143,034
Water	1,989,849	2,280,947	-	-	2,280,947
Natural gas	4,170,689	4,581,073	-	-	4,581,073
Golf course	350,476	334,239	-	-	334,239
Geothermal	57,744	92,732	-	-	92,732
Total business-type activities	6,788,737	7,370,671	-	61,354	7,432,025
Total primary government	\$ 13,108,687	\$ 7,877,348	\$ 1,096,669	\$ 957,647	\$ 9,931,664

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
\$ (773,198)	\$ -	\$ (773,198)
(2,969,870)	-	(2,969,870)
570,821	-	570,821
(119,873)	-	(119,873)
(150,022)	-	(150,022)
(88,985)	-	(88,985)
(289,184)	-	(289,184)
(3,820,311)	-	(3,820,311)
-	(76,945)	(76,945)
-	291,098	291,098
-	410,384	410,384
-	(16,237)	(16,237)
-	34,988	34,988
-	643,288	643,288
(3,820,311)	643,288	(3,177,023)
1,455,797	-	1,455,797
1,118,328	-	1,118,328
400,724	-	400,724
49,776	-	49,776
221,939	-	221,939
39,786	-	39,786
384,924	-	384,924
1,335,361	-	1,335,361
34,761	18,698	53,459
(410,379)	410,379	-
4,631,017	429,077	5,060,094
810,706	1,072,365	1,883,071
3,731,511	6,459,455	10,190,966
\$ 4,542,217	\$ 7,531,820	\$ 12,074,037

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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.

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.

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

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

City of Susanville
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Gas Tax Special Revenue Fund	STIP Rehab Capital Project Fund	Other Governmental Funds
ASSETS				
Cash and investments	\$ 2,603,004	\$ 523,391	\$ -	\$ 2,353,091
Restricted cash and investments held by fiscal agents	-	-	-	151,880
Investment in bonds	-	-	-	500,000
Accounts receivable	365,577	59,763	47,114	169,199
Interest receivable	2,207	196	-	587
Prepaid expenditures	16,333	833	-	740
Inventory	39,100	15,614	-	-
Due from other funds	43,024	-	-	-
Loans receivable	69,105	-	-	1,237,308
Advances to other funds	-	-	-	381,372
Total assets	\$ 3,138,350	\$ 599,797	\$ 47,114	\$ 4,794,177
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 174,726	\$ 9,580	\$ -	\$ 1,290
Accrued wages	76,863	5,513	-	2,284
Deposits payable	86,058	-	-	-
Due to other funds	-	-	43,024	-
Advances from other funds	381,372	-	-	-
Total liabilities	719,019	15,093	43,024	3,574
Deferred Inflow of Resources:				
Unavailable revenue	79,798	-	-	1,237,308
Total deferred inflow of resources	79,798	-	-	1,237,308
Fund Balances:				
Nonspendable	55,433	-	-	-
Restricted	18,145	584,704	4,090	2,614,250
Assigned	17,066	-	-	939,045
Unassigned	2,248,889	-	-	-
Total fund balances	2,339,533	584,704	4,090	3,553,295
Total liabilities, deferred inflow of resources, and fund balances	\$ 3,138,350	\$ 599,797	\$ 47,114	\$ 4,794,177

See accompanying Notes to Basic Financial Statements.

Totals

\$ 5,479,486
151,880
500,000
641,653
2,990
17,906
54,714
43,024
1,306,413
381,372

\$ 8,579,438

185,596
84,660
86,058
43,024
381,372

780,710

1,317,106

1,317,106

55,433
3,221,189
956,111
2,248,889

6,481,622

\$ 8,579,438

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City of Susanville

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2014

Total Fund Balances - Total Governmental Funds \$ 6,481,622

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	517,750
Total capital assets	3,748,514

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. 1,317,106

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. (149,789)

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. 99,916

Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt. 67,324

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	(6,144)	6,144	-
Compensated absences - due within one year	(29,206)	3,942	(25,264)
Early retirement incentive - due in more than one year	(83,700)	83,700	-
Sick leave conversion payable - due in more than one year	(23,000)	23,000	-
Compensated absences - due in more than one year	(186,602)	6,362	(180,240)
Bonds payable - due within one year	(388,639)	-	(388,639)
Bonds payable - due in more than one year	(6,428,333)	-	(6,428,333)
Total long-term liabilities	\$ (7,190,264)	\$ 167,788	(7,022,476)
Net Position of Governmental Activities			\$ 4,542,217

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, 2014

	General Fund	Gas Tax Special Revenue Fund	STIP Rehab Capital Project Fund	Other Governmental Funds
REVENUES:				
Taxes and assessments	\$ 5,006,635	\$ -	\$ -	\$ 29,324
Licenses and permits	101,323	-	-	-
Fines and forfeitures	16,505	-	-	7,796
Use of money and property	51,248	419	-	2,375
Intergovernmental revenues	235,294	811,920	763,508	174,368
Program income	5,000	-	-	9,824
Charges for services	71,367	-	-	-
Other revenues	100,631	1,715	-	146,716
Total revenues	5,588,003	814,054	763,508	370,403
EXPENDITURES:				
Current:				
General government	753,719	-	-	-
Public safety	3,169,728	-	-	115,391
Streets	-	649,447	280,755	43,458
Protective inspections	229,397	-	-	-
Community services	209,120	-	-	-
Community development	145,299	-	-	71,160
Capital outlay	14,643	561	-	48,919
Debt service:				
Principal	-	-	-	236,367
Interest and fiscal charges	-	-	-	168,604
Debt issuance cost	-	-	-	108,809
Total expenditures	4,521,906	650,008	280,755	792,708
REVENUES OVER (UNDER) EXPENDITURES	1,066,097	164,046	482,753	(422,305)
OTHER FINANCING SOURCES (USES):				
Transfers in	29,678	46,380	-	1,259,364
Transfers out	(904,252)	(7,926)	-	(146,217)
Payment to refunded debt escrow agent	-	-	-	(4,798,191)
Proceeds from debt issuance	-	-	-	4,907,000
Proceeds from sale of capital assets	-	-	-	4,300
Total other financing sources (uses)	(874,574)	38,454	-	1,226,256
Net change in fund balances	191,523	202,500	482,753	803,951
FUND BALANCES:				
Beginning of year	2,148,010	382,204	(478,663)	2,749,344
End of year	<u>\$ 2,339,533</u>	<u>\$ 584,704</u>	<u>\$ 4,090</u>	<u>\$ 3,553,295</u>

See accompanying Notes to Basic Financial Statements.



Totals

\$	5,035,959
	101,323
	24,301
	54,042
	1,985,090
	14,824
	71,367
	249,062
	<u>7,535,968</u>
	753,719
	3,285,119
	973,660
	229,397
	209,120
	216,459
	64,123
	236,367
	168,604
	108,809
	<u>6,245,377</u>
	<u>1,290,591</u>
	1,335,422
	(1,058,395)
	(4,798,191)
	4,907,000
	4,300
	<u>390,136</u>
	1,680,727
	<u>4,800,895</u>
\$	<u><u>6,481,622</u></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, 2014

Net Change in Fund Balances - Total Governmental Funds	\$ 1,680,727
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 were allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	40,834
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.	(308,774)
In the statement of activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds proceeds from sales increases financial resources. The difference between proceeds and the loss on disposal of capital assets:	(69,728)
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.	(27,090)
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.	
Long-term debt issuance	(4,907,000)
Long-term debt repayments	5,034,558
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.	71,157
Deferred amounts related to the refunding of long-term debt were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. This amount is to be amortized over the life of the long-term debt.	(5,179)
Interest expense on long-term debt is reported on the accrual basis on the Government-Wide Statements, but expenditures on long-term debt in the governmental funds statements are recorded when paid. The following amount represents the change in accrued interest from the prior year.	(115,401)
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>(583,398)</u>
Change in Net Position of Governmental Activities	<u>\$ 810,706</u>

See accompanying Notes to Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

City of Susanville
Statement of Net Position
Proprietary Funds
June 30, 2014

	Major Enterprise Funds		Total	Totals
	Water Fund	Natural Gas Fund	Non-Major Enterprise Funds	
ASSETS				
Current assets:				
Cash and investments	\$ 3,887,953	\$ 3,579,112	\$ 326,105	\$ 7,793,170
Accounts receivable	455,555	243,721	57,892	757,168
Interest receivable	2,105	1,958	173	4,236
Prepaid expenses	2,011	712	1,285	4,008
Inventory	61,187	157,094	3,927	222,208
Deposits	-	75,000	-	75,000
Total current assets	<u>4,408,811</u>	<u>4,057,597</u>	<u>389,382</u>	<u>8,855,790</u>
Noncurrent assets:				
Cash and investments with fiscal agents	638,815	1,807,106	-	2,445,921
Prepaid bond insurance	97,258	-	-	97,258
Capital assets:				
Non-depreciable, net	1,371,546	54,799	2,558,910	3,985,255
Depreciable, net	<u>5,224,297</u>	<u>18,667,847</u>	<u>2,009,170</u>	<u>25,901,314</u>
Total capital assets	<u>6,595,843</u>	<u>18,722,646</u>	<u>4,568,080</u>	<u>29,886,569</u>
Total noncurrent assets	<u>7,331,916</u>	<u>20,529,752</u>	<u>4,568,080</u>	<u>32,429,748</u>
Total assets	<u>11,740,727</u>	<u>24,587,349</u>	<u>4,957,462</u>	<u>41,285,538</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred loss on refunding	820,829	-	-	820,829
Total deferred inflow of resources	<u>820,829</u>	<u>-</u>	<u>-</u>	<u>820,829</u>
LIABILITIES				
Current liabilities:				
Accounts payable	29,908	43,247	70,371	143,526
Accrued wages	11,363	7,935	4,891	24,189
Accrued interest	40,401	117,466	-	157,867
Deposits payable	63,080	139,945	-	203,025
Unearned revenue	-	-	48,986	48,986
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	-	9,223
Notes payable - due within one year	15,000	-	-	15,000
Revenue bonds payable - due within one year	<u>260,000</u>	<u>225,000</u>	<u>-</u>	<u>485,000</u>
Total current liabilities	<u>424,364</u>	<u>538,204</u>	<u>124,248</u>	<u>1,086,816</u>
Noncurrent liabilities:				
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	32,693	25,336	-	58,029
Notes payable - due in more than one year	841,000	-	-	841,000
Revenue bonds payable - due in more than one year	<u>8,325,000</u>	<u>24,263,702</u>	<u>-</u>	<u>32,588,702</u>
Total noncurrent liabilities	<u>9,198,693</u>	<u>24,289,038</u>	<u>-</u>	<u>33,487,731</u>
Total liabilities	<u>9,623,057</u>	<u>24,827,242</u>	<u>124,248</u>	<u>34,574,547</u>
NET POSITION				
Net investment in capital assets	(2,024,328)	(5,766,056)	4,568,080	(3,222,304)
Restricted for debt service	638,815	1,807,106	-	2,445,921
Unrestricted	<u>4,324,012</u>	<u>3,719,057</u>	<u>265,134</u>	<u>8,308,203</u>
Total net position	<u>\$ 2,938,499</u>	<u>\$ (239,893)</u>	<u>\$ 4,833,214</u>	<u>\$ 7,531,820</u>

See accompanying Notes to Basic Financial Statements.

Governmental
Activities
Internal
Service Funds

\$ 287,619
-
67
1,870
-
-

289,556

-
-
-
-

-

-

289,556

-

-

16,502
5,350
-
-
-
44,640
6,144
3,942
-
-

76,578

83,700
23,000
6,362
-
-

113,062

189,640

-
-
99,916

\$ 99,916

City of Susanville
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2014

	Major Enterprise Funds		Total	Totals
	Water Fund	Natural Gas Fund	Non-Major Enterprise Funds	
OPERATING REVENUES:				
Sales and charges for services	\$ 2,280,209	\$ 4,580,771	\$ 491,800	\$ 7,352,780
Total operating revenues	2,280,209	4,580,771	491,800	7,352,780
OPERATING EXPENSES:				
Direct:				
Purchase of natural gas	-	1,280,430	-	1,280,430
Administration	786,513	680,682	382,651	1,849,846
Insurance costs and claims	-	-	-	-
Depreciation and amortization	364,780	401,117	154,927	920,824
Total direct operating expenses	1,151,293	2,362,229	537,578	4,051,100
Indirect:				
Overhead allocation	422,919	393,687	81,468	898,074
Total indirect operating expenses	422,919	393,687	81,468	898,074
Total operating expenses	1,574,212	2,755,916	619,046	4,949,174
OPERATING INCOME (LOSS):	705,997	1,824,855	(127,246)	2,403,606
NONOPERATING REVENUES (EXPENSES):				
Interest income	9,547	8,429	722	18,698
Interest expense and fiscal charges	(415,637)	(1,414,773)	(9,153)	(1,839,563)
Gain on sale of capital assets	-	-	800	800
Reimbursements	738	302	16,051	17,091
Total nonoperating revenues (expenses)	(405,352)	(1,406,042)	8,420	(1,802,974)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	300,645	418,813	(118,826)	600,632
Capital contributions	-	-	61,354	61,354
Transfers in	-	-	483,234	483,234
Transfers out	(40,590)	(30,934)	(1,331)	(72,855)
Total transfers	(40,590)	(30,934)	481,903	410,379
Change in net position	260,055	387,879	424,431	1,072,365
NET POSITION:				
Beginning of year (as restated)	2,678,444	(627,772)	4,408,783	6,459,455
End of year	\$ 2,938,499	\$ (239,893)	\$ 4,833,214	\$ 7,531,820

See accompanying Notes to Basic Financial Statements.



Governmental
Activities
Internal
Service Funds

\$ 1,086,624

1,086,624

-

681,868

305,815

-

987,683

-

-

987,683

98,941

5,067

-

-

-

5,067

104,008

-

44,640

(732,046)

(687,406)

(583,398)

683,314

\$ 99,916

City of Susanville
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2014

	Major Enterprise Funds		Total Non-Major Enterprise Funds	Totals
	Water Fund	Natural Gas Fund	Funds	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 2,200,027	\$ 4,611,677	\$ 481,992	\$ 7,293,696
Payments to suppliers and users	(746,628)	(2,110,022)	(344,082)	(3,200,732)
Payments to employees	(393,701)	(415,219)	(103,952)	(912,872)
Net cash provided by (used in) operating activities	1,059,698	2,086,436	33,958	3,180,092
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash receipts from other funds	-	-	23,648	23,648
Cash payments to other funds	(40,590)	(30,934)	(7,026)	(78,550)
Net cash provided by (used in) noncapital financing activities	(40,590)	(30,934)	16,622	(54,902)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	(491,080)	(70,389)	(67,130)	(628,599)
Proceeds from sale of capital assets	-	-	800	800
Capital grants received	738	302	77,405	78,445
Interest paid	(416,080)	(1,415,223)	(9,154)	(1,840,457)
Principal payments - long-term debt	(269,000)	(205,000)	(18,297)	(492,297)
Net cash provided by (used in) capital and related financing activities	(1,175,422)	(1,690,310)	(16,376)	(2,882,108)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	10,221	8,545	764	19,530
Net cash provided by investing activities	10,221	8,545	764	19,530
NET INCREASE IN CASH AND CASH EQUIVALENTS	(146,093)	373,737	34,968	262,612
CASH AND CASH EQUIVALENTS:				
Beginning of year	4,672,861	5,012,481	291,137	9,976,479
End of year	\$ 4,526,768	\$ 5,386,218	326,105	\$ 10,239,091
FINANCIAL STATEMENT PRESENTATION:				
Cash and investments	\$ 3,887,953	\$ 3,579,112	326,105	\$ 7,793,170
Restricted cash and investments with fiscal agents	638,815	1,807,106	-	2,445,921
Total	\$ 4,526,768	\$ 5,386,218	326,105	\$ 10,239,091
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 705,997	\$ 1,824,855	(127,246)	\$ 2,403,606
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	364,780	401,117	154,927	920,824
Changes in assets and liabilities:				
Accounts receivable	(83,036)	11,657	(6,694)	(78,073)
Prepaid expenses	254	826	(9)	1,071
Inventory	56,391	(113,356)	-	(56,965)
Deposits	-	-	-	-
Accounts payable	9,312	(55,823)	15,504	(31,007)
Accrued wages	3,696	(1,745)	590	2,541
Deposits payable	2,854	19,249	-	22,103
Unearned revenue	-	-	(3,114)	(3,114)
Compensated absences	(550)	(344)	-	(894)
Early retirement incentive	-	-	-	-
Other postemployment benefits payable	-	-	-	-
Total adjustments	353,701	261,581	161,204	776,486
Net cash provided by operating activities	\$ 1,059,698	\$ 2,086,436	33,958	\$ 3,180,092

See accompanying Notes to Basic Financial Statements.

Governmental
Activities
Internal
Service Funds

\$ 1,274,854
(290,425)
(753,495)
230,934

44,640
(496,610)
(451,970)

-
-
-
-
-

-

5,286
5,286

(215,750)

503,369
287,619

\$ 287,619
-
\$ 287,619

\$ 98,941

-
188,230
1,978
-
-
13,412
(2,466)
-
-
(18,377)
(44,640)
(6,144)
131,993
230,934

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FIDUCIARY FUND FINANCIAL STATEMENTS

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

LAFCO Fund , accounts for agency activities for LAFCO.

HUSA Busines 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, 2014

	Agency Funds			Totals
	LAFCO	HUSA Business	Air	
	Fund	Improvement Fund	Pollution District Fund	
ASSETS				
Cash and investments	\$ 23,356	\$ 5,579	\$ 690,983	\$ 719,918
Accounts receivable	-	6,398	8,920	15,318
Interest receivable	16	-	274	290
Total assets	\$ 23,372	\$ 11,977	\$ 700,177	\$ 735,526
LIABILITIES				
Liabilities:				
Accounts payable	-	-	4,258	4,258
Deposits payable	23,372	11,977	688,350	723,699
Compensated absences	-	-	7,569	7,569
Total liabilities	\$ 23,372	\$ 11,977	\$ 700,177	\$ 735,526

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

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, 2014

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, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

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

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

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

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

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

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

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

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

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

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

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.

Paul Bunyan Ash Street Mitigation Fund account for fees collected from new developments with the Skyline area to be used for the installation and maintenance of traffic signals.

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

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

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

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

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

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

Revenues are recorded when received in cash, except those 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

Proprietary Fund Financial Statements

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

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

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

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

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

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 of the activities of providing natural gas to the residents of the City.

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

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements, Continued

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.

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.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash, Cash Equivalents, and Investments, Continued

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.

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, 2014

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, 2014

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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. *Deferred Outflows/Inflows of Resources, Continued*

Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. *New Pronouncements*

In 2014, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City restated beginning net position as a result of implementation of this standard.
- GASB Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 1 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. There was no effect on net position as a result of implementation of this standard.
- GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. There was no effect on net position as a result of implementation of this standard.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. New Pronouncements, Continued

- GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Some governments extend financial guarantees for the obligations of another government, a not-for-profit organization, a private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity or individual that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. There was no effect on net position as a result of implementation of this standard.

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	\$ 5,767,105	\$ 7,793,170	\$ 719,918	\$ 14,280,193
Restricted cash and investments	151,880	2,445,921	-	2,597,801
Investments in bonds with fiscal agent	500,000	-	-	500,000
Total cash and investments	\$ 6,418,985	\$ 10,239,091	\$ 719,918	\$ 17,377,994

Cash and investment as of June 30, 2014 consist of the following:

Cash on hand	\$ 1,450
Deposits with financial institution	620,865
Local Agency Investment funds	<u>13,657,878</u>
	14,280,193
Restricted cash and investments	2,597,801
Investments in bonds with fiscal agent	<u>500,000</u>
Total cash and investments	<u>\$ 17,377,994</u>

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

2. CASH AND INVESTMENTS, CONTINUED

A. Deposits

The carrying amount of the City's cash deposit was a positive amount of \$620,865 at June 30, 2014. Bank balances before reconciling items were \$933,772 at June 30, 2014. 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, 2014

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	\$ 49,375
Unrealized gain in changes in fair value of investments	<u>4,079</u>
Total investment income	<u>\$ 53,454</u>

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, 2014, 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, 2014, the City had \$13,657,878 invested in LAIF, which had invested 1.86% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 1.96% in the previous year. The LAIF fair value factor of 1.000298760 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, 2014

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 short term and long 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)					More Than 60 Months
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	
State Pool	13,657,878	13,657,878	-	-	-	-	-
Held by fiscal agents:							
Money market funds	2,596,787	2,596,787	-	-	-	-	-
Miller Fletcher bonds	500,000	-	-	-	500,000	-	-
	<u>\$ 16,754,665</u>	<u>\$ 16,254,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

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	\$ 13,657,878	N/A	\$ -	\$ -	\$ -	\$ -	\$ 13,657,878
Held by fiscal agents:							
Money market funds	2,597,801	N/A	-	2,597,801	-	-	-
Miller Fletcher bonds	500,000		-	-	-	-	500,000
Total	\$ 16,755,679		\$ -	\$ 2,597,801	\$ -	\$ -	\$ 14,157,878

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, 2014.

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, 2014

3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
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	-	(130,000)	1,122,436
Machinery and equipment	2,382,448	40,834	(42,000)	2,381,282
Other improvements	2,365,050	-	-	2,365,050
Total depreciable capital assets	5,999,934	40,834	(172,000)	5,868,768
Less accumulated depreciation	(5,144,516)	(308,774)	102,272	(5,351,018)
Net depreciable capital assets	855,418	(267,940)	(69,728)	517,750
Net capital assets	\$ 4,086,182	\$ (267,940)	\$ (69,728)	\$ 3,748,514

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business-type Activities				
Nondepreciable capital assets:				
Land	\$ 3,403,603	\$ -	\$ -	\$ 3,403,603
Construction in progress	156,820	424,832	-	581,652
Total nondepreciable capital assets	3,560,423	424,832	-	3,985,255
Depreciable capital assets:				
Infrastructure	26,488,635	-	-	26,488,635
Buildings	862,483	-	-	862,483
Machinery and equipment	4,726,630	29,317	-	4,755,947
Other improvements	7,039,500	174,451	-	7,213,951
Total depreciable capital assets	39,117,248	203,768	-	39,321,016
Less accumulated depreciation	(12,566,630)	(853,072)	-	(13,419,702)
Net depreciable capital assets	26,550,618	(649,304)	-	25,901,314
Net capital assets	\$ 30,111,041	\$ (224,472)	\$ -	\$ 29,886,569

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

3. CAPITAL ASSETS, Continued

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business-type Activities				
Airport				
Nondepreciable capital assets:				
Land	\$ 43,189	\$ -	\$ -	\$ 43,189
Construction in progress	31,359	67,131	-	98,490
Total nondepreciable capital assets	<u>74,548</u>	<u>67,131</u>	<u>-</u>	<u>141,679</u>
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	<u>2,895,361</u>	<u>-</u>	<u>-</u>	<u>2,895,361</u>
Less accumulated depreciation	<u>(1,068,885)</u>	<u>(132,050)</u>	<u>-</u>	<u>(1,200,935)</u>
Net depreciable capital assets	<u>1,826,476</u>	<u>(132,050)</u>	<u>-</u>	<u>1,694,426</u>
Net capital assets	<u>\$ 1,901,024</u>	<u>\$ (64,919)</u>	<u>\$ -</u>	<u>\$ 1,836,105</u>
	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business-type Activities				
Water				
Nondepreciable capital assets:				
Land	\$ 943,183	\$ -	\$ -	\$ 943,183
Construction in progress	125,461	302,902	-	428,363
Total nondepreciable capital assets	<u>1,068,644</u>	<u>302,902</u>	<u>-</u>	<u>1,371,546</u>
Depreciable capital assets:				
Infrastructure	4,112,864	-	-	4,112,864
Buildings	315,266	-	-	315,266
Machinery and equipment	3,862,384	13,727	-	3,876,111
Other improvements	4,441,773	174,451	-	4,616,224
Total depreciable capital assets	<u>12,732,287</u>	<u>188,178</u>	<u>-</u>	<u>12,920,465</u>
Less accumulated depreciation	<u>(7,387,323)</u>	<u>(308,845)</u>	<u>-</u>	<u>(7,696,168)</u>
Net depreciable capital assets	<u>5,344,964</u>	<u>(120,667)</u>	<u>-</u>	<u>5,224,297</u>
Net capital assets	<u>\$ 6,413,608</u>	<u>\$ 182,235</u>	<u>\$ -</u>	<u>\$ 6,595,843</u>

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

3. CAPITAL ASSETS, Continued

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business-type Activities				
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	(249,167)	(1,242)	-	(250,409)
Net depreciable capital assets	4,351	(1,242)	-	3,109
Net capital assets	\$ 253,475	\$ (1,242)	\$ -	\$ 252,233
	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business-type Activities				
Natural Gas				
Nondepreciable capital assets:				
Construction in progress	\$ -	\$ 54,799	\$ -	\$ 54,799
Total nondepreciable capital assets	-	54,799	-	54,799
Depreciable capital assets:				
Infrastructure	\$ 22,375,771	\$ -	\$ -	\$ 22,375,771
Machinery and equipment	286,888	15,590	-	302,478
Total depreciable capital assets	22,662,659	15,590	-	22,678,249
Less accumulated depreciation	(3,621,102)	(389,300)	-	(4,010,402)
Net depreciable capital assets	19,041,557	(373,710)	-	18,667,847
Net capital assets	\$ 19,041,557	\$ (318,911)	\$ -	\$ 18,722,646

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

3. CAPITAL ASSETS, Continued

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business-type Activities				
 Golf Course				
Nondepreciable capital assets:				
Land	\$ 2,168,107	\$ -	\$ -	\$ 2,168,107
Total nondepreciable capital assets	2,168,107	-	-	2,168,107
Depreciable capital assets:				
Buildings	355,492	-	-	355,492
Machinery and equipment	67,723	-	-	67,723
Other improvements	150,208	-	-	150,208
Total depreciable capital assets	573,423	-	-	573,423
Less accumulated depreciation	(240,153)	(21,635)	-	(261,788)
Net depreciable capital assets	333,270	(21,635)	-	311,635
Net capital assets	\$ 2,501,377	\$ (21,635)	\$ -	\$ 2,479,742

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	\$ 172,457
Public safety	73,992
Streets	3,255
Protective inspections	1,160
Community services	57,910
Total Depreciation Expense-Governmental Activities	\$ 308,774
Business-type Activities:	
Airport	\$ 132,050
Water	308,845
Geothermal	1,242
Natural Gas	389,300
Golf Course	21,635
Total Depreciation Expense-Governmental Activities	\$ 853,072

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at June 30, 2014 as follows:

Due to/from other funds:

<u>Due To General Fund</u>	<u>Due From Other Funds</u>
STIP Rehab Capital Project Fund	\$ 43,024
Total	<u>\$ 43,024</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 to Other Funds</u>	<u>Advances from Other Funds</u>	
	<u>General Fund</u>	<u>Total</u>
State Revolving Loan Fund	\$ 247,549	\$ 247,549
Nonmajor Governmental Funds:		
State Revolving Economic Development Fund	133,823	133,823
Total	<u>\$ 381,372</u>	<u>\$ 381,372</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 Agency.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, Continued

Interfund transfers:

Transfers In	Transfers Out							Total
	General Fund	Gas Tax Fund	Nonmajor Gov't Funds	Water Fund	Natural Gas Fund	Nonmajor Ent. Funds	Internal Service Funds	
Major Govtl Funds								
General Fund	\$ -	\$ -	\$ 24,674	\$ 5,004	\$ -	\$ -	\$ -	\$ 29,678
Gas Tax Fund	46,380	-	-	-	-	-	-	46,380
Non-major								
Govtl Funds	329,998	7,926	121,543	35,586	30,934	1,331	732,046	1,259,364
Non-major								
Ent. Funds	483,234	-	-	-	-	-	-	483,234
Internal service funds	44,640	-	-	-	-	-	-	44,640
Total	<u>\$ 904,252</u>	<u>\$ 7,926</u>	<u>\$ 146,217</u>	<u>\$ 40,590</u>	<u>\$ 30,934</u>	<u>\$ 1,331</u>	<u>\$ 732,046</u>	<u>\$ 1,863,296</u>

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 debt service requirements. The transfers from the General fund to the Airport and Golf Course Enterprise funds were transfers made for operations. Transfers were made from Barry Creek Culvert and Chestnut St. Culver Special Revenue Funds to the Street Mitigation Fund due to project closure. Transfers were made from the Skyline 139 Traffic Signal Fund and Skyline Numa Traffic Signal Fund to consolidate fund balances to the Paul Bunyan Ash Street Signal Mitigation Fund.

5. LOANS RECEIVABLE

The following schedule summarizes notes and loans receivables as of June 30, 2014:

Note Receivable for business assistance - General Fund	\$ 69,105
State Revolving Fund notes receivables	628,755
State Revolving Economic Development fund notes receivable	52,890
Home Revolving Loan funds notes receivable	<u>555,663</u>
Total notes receivable	<u>\$ 1,306,413</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, 2014

6. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

	July 1, 2013 Balance (as restated)	Additions	Reductions	June 30, 2014 Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
1992 Revenue Bond	\$ 605,000	\$ -	\$ (105,000)	\$ 500,000	\$ 110,000
2012 Lease Financing	1,541,339	-	(83,367)	1,457,972	85,639
2013 CalPERS Refunding Loan	-	4,907,000	(48,000)	4,859,000	193,000
Compensated absences	207,095	76,234	(67,521)	215,808	29,206
CalPERS Side Fund Obligation	4,798,191	-	(4,798,191)	-	-
Early retirement incentive	172,980	-	(44,640)	128,340	44,640
Sick leave conversion	35,288	-	(6,144)	29,144	6,144
	<u>\$ 7,359,893</u>	<u>\$ 4,983,234</u>	<u>\$ (5,152,863)</u>	<u>\$ 7,190,264</u>	<u>\$ 468,629</u>
Business-type activities:					
Bonds Payable:					
Revenue	\$ 33,900,000	\$ -	\$ (460,000)	\$ 33,440,000	\$ 485,000
Original issue discounts	(378,134)	-	11,836	(366,298)	-
	<u>33,521,866</u>	<u>-</u>	<u>(448,164)</u>	<u>33,073,702</u>	<u>485,000</u>
Bonds Payable, net					
Notes payable	870,000	-	(14,000)	856,000	15,000
Capital lease payable	18,297	-	(18,297)	-	-
Compensated absences	68,146	-	(894)	67,252	9,223
	<u>\$ 34,478,309</u>	<u>\$ -</u>	<u>\$ (481,355)</u>	<u>\$ 33,996,954</u>	<u>\$ 509,223</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, 2014 is \$500,000.

Future debt service requirements on the 1992 Revenue bonds are:

Fiscal Year Ended June 30,	Revenue Bonds		Total
	Principal	Interest	
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>\$ 500,000</u>	<u>\$ 81,375</u>	<u>\$ 581,375</u>

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

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	
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	100,915	37,465	138,380
2020-2024	546,465	132,152	678,617
2025-2028	447,460	38,848	486,308
Total	<u>\$ 1,457,972</u>	<u>\$ 390,760</u>	<u>\$ 1,848,732</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, 2014, 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, 2014, the 2004 Water Revenue Bonds outstanding balances which is considered defeased was \$0.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

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, 2014 is \$8,585,000.

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, 2014 is \$24,855,000.

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, 2014, 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	
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	615,000	1,724,650	2,339,650
2020-2024	3,725,000	8,215,391	11,940,391
2025-2029	5,045,000	7,162,339	12,207,339
2030-2034	6,535,000	5,678,701	12,213,701
2035-2039	6,540,000	3,751,063	10,291,063
2039-2044	7,170,000	1,850,700	9,020,700
2045	1,700,000	102,000	1,802,000
Subtotal	33,440,000	\$ 35,547,657	\$ 68,987,657
Discount	(366,298)		
Total	\$ 33,073,702		

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

6. LONG-TERM DEBT, Continued

C. 2013 CalPERS Refunding Loan

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

The scheduled annual minimum debt service requirements at June 30, 2014, are as follows:

Fiscal Year Ended June 30,	Notes Payable		Total
	Principal	Interest	
2015	193,000	342,237	535,237
2016	218,000	219,047	437,047
2017	227,000	208,596	435,596
2018	250,000	197,529	447,529
2019	276,000	185,344	461,344
2020-2024	1,847,000	695,993	2,542,993
2025-2028	1,848,000	185,323	2,033,323
Total	<u>\$ 4,859,000</u>	<u>\$ 2,034,069</u>	<u>\$ 6,893,069</u>

D. Notes Payable

Notes payable at June 30, 2014, 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>\$ 856,000</u>
Total Notes Payable	<u>\$ 856,000</u>

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

6. LONG-TERM DEBT, Continued

D. Notes Payable, Continued

The scheduled annual minimum debt service requirements at June 30, 2014, are as follows:

Fiscal Year Ended June 30,	Notes Payable		Total
	Principal	Interest	
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	18,000	33,320	51,320
2020-2024	100,000	154,489	254,489
2025-2029	125,000	130,581	255,581
2030-2034	153,000	101,171	254,171
2035-2039	189,000	64,918	253,918
2040-2044	208,000	20,654	228,654
Total	\$ 856,000	\$ 645,447	\$ 1,501,447

E. 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 lease term expired during the fiscal year ended June 30, 2014.

F. CalPERS Side Fund Obligation

The City is a participant in the California Public Employees Retirement System (CalPERS). As a participant, the City is subject to the requirements associated with the creation and repayment of pension obligations which includes the City's Side Fund. As a small public agency, the City is required to participate in a risk pool. The establishment and inclusion of the City in a risk pool created a side fund obligation, that is an amount the City is required to pay in addition to the City's annual required contribution (Note 7). On September 1, 2013, the City refinanced the CalPERS side fund obligation and the balance of the obligation as of June 30, 2014 was \$0.

G. 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, 2014, total \$215,808 for governmental activities and \$67,252 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.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

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), a cost sharing 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. SPOA members pay the employee portion as of 2013-14. 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 2013-14 was 15.724% for miscellaneous employees and 26.149% 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.

On January 1, 2013, the Public Employee Pension Reform Act (PEPRA) went into effect. This State law applies to employees hired after January 1, 2013, who are new to PERS. These employees are termed PEPRA members and employees that were enrolled in PERS (without significant separation) prior to January 1, 2013 are now referred to as classic members. PEPRA miscellaneous members will be enrolled in a 2% at 62 Plan and PEPRA safety members will be enrolled in a 2.7% at 57 plan. PEPRA members will be required to pay half the normal cost of their plans.

PEPRA Miscellaneous and Safety rates for fiscal year 2014 were 6.25% and 11.5% for the employer and employees respectively.

The City's contributions to CalPERS for the fiscal years ending June 30, 2014, 2013, and 2012, were \$648,208, \$886,347, and \$871,623, 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 \$243,360, \$230,258, and \$237,397, for the fiscal years ending June 30, 2014, 2013, and 2012, respectively.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

7. CITY EMPLOYEES' RETIREMENT 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	Pension Cost (APC)	of APC Contributed	Net Pension Obligation
6/30/2012	871,623	100%	-
6/30/2013	886,347	100%	-
6/30/2014	648,208	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, 2014, 4 employees agreed to the early retirement incentives. The balance of the accrued benefits, as of June 30, 2014 was \$128,340. 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, 2014

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, 2013, is as follows:

	Liability Program	Workers Comp. Program	Total
Total Assets	\$ 6,418,599	\$ 6,383,500	\$ 12,802,099
Total Liabilities	\$ 1,565,843	\$ 4,702,472	\$ 6,268,315
Fund Equity	4,852,756	1,681,028	6,533,784
Total Liabilities and Equity	\$ 6,418,599	\$ 6,383,500	\$ 12,802,099
Total Revenues	\$ 1,153,168	\$ 1,229,856	\$ 2,383,024
Total Expenditures	1,433,038	1,936,819	3,369,857
Net Increase/(Decrease)	\$ (279,870)	\$ (706,963)	\$ (986,833)

The financial information above is the latest available information, as the June 30, 2014 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, 2013 (most recent available), is as follows:

Total Assets	\$ 29,267,797
Total Liabilities	\$ 521,772
Fund Equity	28,746,025
Total Liabilities and Equity	\$ 29,267,797
Total Revenues	\$ 6,404,961
Total Expenditures	3,883,681
Net Increase	\$ 2,521,280

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

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, 2014, the balance was \$29,144.

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, Pebsco, 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, 2014

12. NET POSITION AND FUND BALANCES, Continued

A. Net Position, Continued

Net investment in capital assets was calculated as follows for fiscal year 2014.

	Governmental Activities	Business-type Activities	Water Enterprise Fund	Natural Gas Enterprise Fund	Non major Enterprise Funds
Capital Assets	\$ 3,748,514	\$ 29,886,569	\$ 6,595,843	\$ 18,722,646	4,568,080
<i>Less capital related debt</i>					
Bonds Payable	(1,957,972)	(33,073,702)	(8,585,000)	(24,488,702)	-
Notes Payable	-	(856,000)	(856,000)	-	-
<i>Plus deferred loss on refunding</i>	67,324	820,829	820,829	-	-
Net Investment in Capital Assets	\$ 1,857,866	\$ (3,222,304)	\$ (2,024,328)	\$ (5,766,056)	\$ 4,568,080

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.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

12. NET POSITION AND FUND BALANCES, Continued

A. Net Position, Continued

Restricted net position as of June 30, 2014:

	Governmental Activities	Business-type Activities
Restricted for:		
Public Safety	\$ 41,999	\$ -
Parks	25,014	-
Housing Rehabilitation	1,000,736	-
Economic Development	425,637	-
HOME Program	748,132	-
Traffic Safety	89,157	-
Traffic Signals	96,035	-
Streets and Roads	921,445	-
Debt Service	889,976	2,445,921
Capital Projects	202,221	-
<i>Total Restricted</i>	<u>\$ 4,440,352</u>	<u>\$ 2,445,921</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.

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.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

12. NET POSITION AND FUND BALANCES, Continued

B. Fund Balances, Continued

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, 2014

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, 2014 are as follows:

Fund Balances	General Fund	Gas Tax Fund	STIP Rehab Capital Project Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepays	\$ 16,333	\$ -	\$ -	\$ -	\$ 16,333
Inventory	39,100	-	-	-	39,100
<i>Total Nonspendable</i>	<u>55,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,433</u>
Restricted for:					
Public Safety	-	-	-	41,999	41,999
Parks	-	-	-	25,014	25,014
Housing Rehabilitation	-	-	-	371,981	371,981
Economic Development	-	-	-	372,747	372,747
HOME Program	-	-	-	192,469	192,469
Traffic Safety	-	-	-	89,157	89,157
Traffic Signals	-	-	-	96,035	96,035
Streets and Roads	-	584,704	-	336,741	921,445
Debt Service	-	-	-	889,976	889,976
Capital Projects	18,145	-	4,090	198,131	220,366
<i>Total Restricted</i>	<u>18,145</u>	<u>584,704</u>	<u>4,090</u>	<u>2,614,250</u>	<u>3,221,189</u>
Assigned for:					
Capital Projects	17,066	-	-	44,599	61,665
Debt service	-	-	-	894,446	894,446
<i>Total Assigned</i>	<u>17,066</u>	<u>-</u>	<u>-</u>	<u>939,045</u>	<u>956,111</u>
Unassigned	2,248,889	-	-	-	2,248,889
<i>Total Fund Balances</i>	<u>\$ 2,339,533</u>	<u>\$ 584,704</u>	<u>\$ 4,090</u>	<u>\$ 3,553,295</u>	<u>\$ 6,481,622</u>

*Included in the Unassigned Fund Balance for the General Fund is \$803,003 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, 2014

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, 2014:

Fiscal Year Ended June 30,	Total
2015	31,998
2016	19,098
2017	10,458
Total	\$ 61,554

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, 2014 was \$500,000.

City of Susanville
Notes to Basic Financial Statements
For the year ended June 30, 2014

16. DEFICIT FUND BALANCES/NET POSITION

Major Funds

A deficit net position of \$239,893 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 \$343 exists in the Public Works Administration Fund. The deficit is due to the fund incurring more costs than charges to other funds.

A deficit of net position of \$129,704 exists in the Retirement Benefits Fund. The deficit is due to the fund incurring more costs than charges to other funds.

17. PRIOR PERIOD ADJUSTMENT

The City recorded a prior period adjustments to reduce account for its CalPERS Side Fund obligations as a pension related liability, and to expense costs of issuance (except for prepaid bond insurance) related to previously issued debt as required by GASB 65.

Government-wide Statements

	Net Position, as Previously Reported	Prior Period Adjustment		Net Position, as Restated
		Pension Related Obligation	Bond Issuance Costs	
Government-Wide Statements				
Governmental Activities	\$ 8,610,015	\$ (4,798,191)	\$ (80,313)	\$ 3,731,511
Business-type Activities	\$ 7,007,037	\$ -	\$ (547,582)	\$ 6,459,455

Fund Statements

	Net Position, as Previously Reported	Prior Period Adjustment		Net Position, as Restated
		Bond Issuance Costs		
Fund Statements				
Water Enterprise Fund	\$ 2,791,728	\$ (113,283)	\$	\$ 2,678,445
Natural Gas Enterprise Fund	\$ (193,474)	\$ (434,298)	\$	\$ (627,772)

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**REQUIRED
SUPPLEMENTARY INFORMATION**

City of Susanville
Required Supplementary Information
For the year ended June 30, 2014

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, 2014

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	\$ 4,528,957	\$ 5,162,514	\$ 5,006,635	\$ (155,879)
Licenses and permits	84,700	84,700	101,323	16,623
Fines and forfeitures	28,250	28,250	16,505	(11,745)
Use of money and property	21,555	25,055	51,248	26,193
Intergovernmental	191,437	287,683	235,294	(52,389)
Program income	5,600	5,600	5,000	(600)
Charges for services	66,014	74,326	71,367	(2,959)
Other revenues	25,296	62,791	100,631	37,840
Total revenues	4,951,809	5,730,919	5,588,003	(142,916)
EXPENDITURES:				
Current:				
General government:	792,037	890,448	753,719	136,729
Public Safety	3,343,617	3,357,672	3,169,728	187,944
Protective inspections	235,963	232,861	229,397	3,464
Community development	180,982	181,889	145,299	36,590
Community services	214,097	250,805	209,120	41,685
Capital outlay	22,425	21,498	14,643	6,855
Total expenditures	4,789,121	4,935,173	4,521,906	413,267
REVENUES OVER (UNDER) EXPENDITURES	162,688	795,746	1,066,097	270,351
OTHER FINANCING SOURCES (USES):				
Transfers in	5,000	29,674	29,678	4
Transfers out	(187,126)	(904,262)	(904,252)	10
Total other financing sources (uses)	(182,126)	(874,588)	(874,574)	14
Net change in fund balance	\$ (19,438)	\$ (78,842)	191,523	\$ 270,365
FUND BALANCE:				
Beginning of year			2,148,010	
End of year			\$ 2,339,533	

City of Susanville
Required Supplementary Information, Continued
For the year ended June 30, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

B Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, Gas Tax Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 419	\$ 419
Intergovernmental	759,738	759,738	811,920	52,182
Other revenues	-	20,000	1,715	(18,285)
Total revenues	759,738	779,738	814,054	34,316
EXPENDITURES:				
Current				
Streets	770,176	776,051	649,447	126,604
Capital outlay	15,000	15,000	561	14,439
Total expenditures	785,176	791,051	650,008	141,043
REVENUES OVER (UNDER) EXPENDITURE	(25,438)	(11,313)	164,046	175,359
OTHER FINANCING SOURCES (USES):				
Transfers in	66,385	60,185	46,380	(13,805)
Transfers out	-	(7,927)	(7,926)	1
Total other financing sources (uses)	66,385	52,258	38,454	(13,804)
Net change in fund balance	\$ 40,947	\$ 40,945	202,500	\$ 161,555
FUND BALANCE:				
Beginning of year			382,204	
End of year			\$ 584,704	

City of Susanville
Required Supplementary Information, Continued
For the year ended June 30, 2014

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).

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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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 1,194,896	\$ 763,508	\$ (431,388)
Total revenues	-	1,194,896	763,508	(431,388)
EXPENDITURES:				
Current:				
Streets	-	686,687	280,755	405,932
Total expenditures	-	686,687	280,755	405,932
Net change in fund balance	\$ -	\$ 508,209	482,753	\$ (25,456)
FUND BALANCE:				
Beginning of year			(478,663)	
End of year			\$ 4,090	

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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.

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

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

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

SPECIAL REVENUE FUNDS (CONTINUED)

Paul Bunyan Ash Street Mitigation Fund account for fees collected from new developments within the Barry Creek and Chestnut Street areas used to repay the City for installation of the culverts.

DEBT SERVICE FUNDS

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

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

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

CAPITAL PROJECT FUND

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

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

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

City of Susanville
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Special Revenue Funds			
	Local Law Enforcement Block Grant Fund	Street Mitigation Fund	Police Mitigation Fund	Fire Mitigation Fund
ASSETS				
Cash and investments	\$ 44,270	\$ 111,093	\$ 59,838	\$ 131,090
Restricted cash and investments held by fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	13	55	32	74
Prepaid expenditures	-	-	-	-
Loans receivable	-	-	-	-
Advanced to other funds	-	-	-	-
	<u>\$ 44,283</u>	<u>\$ 111,148</u>	<u>\$ 59,870</u>	<u>\$ 131,164</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,196
Accrued salaries and wages payable	2,284	-	-	-
Total liabilities	<u>2,284</u>	<u>-</u>	<u>-</u>	<u>1,196</u>
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	41,999	111,148	59,870	129,968
Assigned	-	-	-	-
Total fund balances	<u>41,999</u>	<u>111,148</u>	<u>59,870</u>	<u>129,968</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 44,283</u>	<u>\$ 111,148</u>	<u>\$ 59,870</u>	<u>\$ 131,164</u>

Special Revenue Funds

Park Land In-lieu Fund	State Revolving Loan Fund	State Revolving Economic Development Fund	HOME Revolving Loan Fund	Traffic Safety Fund	Barry Creek Development Fund	Skyline Rt. 139 Signal Fund
\$ 25,000	\$ 123,201	\$ 233,260	\$ 192,366	\$ 89,107	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,259	5,539	-	-	-	-
14	66	125	103	50	-	-
-	-	-	-	-	-	-
-	628,755	52,890	555,663	-	-	-
-	247,549	133,823	-	-	-	-
<u>\$ 25,014</u>	<u>\$ 1,000,830</u>	<u>\$ 425,637</u>	<u>\$ 748,132</u>	<u>\$ 89,157</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 94	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	94	-	-	-	-	-
-	628,755	52,890	555,663	-	-	-
-	628,755	52,890	555,663	-	-	-
25,014	371,981	372,747	192,469	89,157	-	-
-	-	-	-	-	-	-
<u>25,014</u>	<u>371,981</u>	<u>372,747</u>	<u>192,469</u>	<u>89,157</u>	<u>-</u>	<u>-</u>
<u>\$ 25,014</u>	<u>\$ 1,000,830</u>	<u>\$ 425,637</u>	<u>\$ 748,132</u>	<u>\$ 89,157</u>	<u>\$ -</u>	<u>\$ -</u>

City of Susanville
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Special Revenue Funds			
	Skyline Nuna Signal Fund	Skyline Bicycle Lane Fund	Chestnut Street Culvert Fund	State of California Prop 30 AB 109 Fund
ASSETS				
Cash and investments	\$ -	\$ 7,477	\$ -	28,273
Restricted cash and investments held by fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	-	5	-	-
Prepaid expenditures	-	-	-	-
Loans receivable	-	-	-	-
Advanced to other funds	-	-	-	-
	<u>\$ -</u>	<u>\$ 7,482</u>	<u>\$ -</u>	<u>\$ 28,273</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and wages payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflow of Resources:				
Unearned and unavailable revenue	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	-	7,482	-	28,273
Assigned	-	-	-	-
Total fund balances	<u>-</u>	<u>7,482</u>	<u>-</u>	<u>28,273</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ -</u>	<u>\$ 7,482</u>	<u>\$ -</u>	<u>\$ 28,273</u>

Special Revenue Fund	Debt Service Fund			Capital Projects Funds	
Paul Bunyan	City Hall Debt Service Fund	Mark Roos 92B Debt Service Fund	Side Fund Debt Service Fund	Prop 1B Local Streets and Road Fund	Sierra Park Project Fund
95,985	\$ 48,875	\$ 188,481	\$ 732,045	\$ 25,651	\$ 172,480
-	-	151,880	-	-	-
-	-	500,000	-	-	-
-	-	-	162,401	-	-
50	-	-	-	-	-
-	-	740	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 96,035</u>	<u>\$ 48,875</u>	<u>\$ 841,101</u>	<u>\$ 894,446</u>	<u>\$ 25,651</u>	<u>\$ 172,480</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
96,035	48,875	841,101	-	25,651	172,480
-	-	-	894,446	-	-
<u>96,035</u>	<u>48,875</u>	<u>841,101</u>	<u>894,446</u>	<u>25,651</u>	<u>172,480</u>
<u>\$ 96,035</u>	<u>\$ 48,875</u>	<u>\$ 841,101</u>	<u>\$ 894,446</u>	<u>\$ 25,651</u>	<u>\$ 172,480</u>

City of Susanville
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Capital Projects	
	Fund	Total
	City Hall Parking Lot Project Fund	Non-Major Governmental Funds
ASSETS		
Cash and investments	\$ 44,599	\$ 2,353,091
Restricted cash and investments held by fiscal agents	-	151,880
Investment in bonds	-	500,000
Accounts receivable	-	169,199
Interest receivable	-	587
Prepaid expenditures	-	740
Loans receivable	-	1,237,308
Advanced to other funds	-	381,372
	<u>\$ 44,599</u>	<u>\$ 4,794,177</u>
 LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 1,290
Accrued salaries and wages payable	-	2,284
Total liabilities	<u>-</u>	<u>3,574</u>
 Deferred Inflows of Resources:		
Unavailable revenue	-	1,237,308
Total deferred inflows of resources	<u>-</u>	<u>1,237,308</u>
 Fund Balances:		
Restricted	-	2,614,250
Assigned	44,599	939,045
Total fund balances	<u>44,599</u>	<u>3,553,295</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 44,599</u>	<u>\$ 4,794,177</u>

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City of Susanville
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2014

	Special Revenue Funds			
	Local Law Enforcement Block Grant Fund	Street Mitigation Fund	Police Mitigation Funds	Fire Mitigation Fund
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	18	160	112	269
Intergovernmental revenues	121,075	-	-	-
Program income	-	-	-	-
Other revenues	-	42,075	54,428	50,213
Total revenues	121,093	42,235	54,540	50,482
EXPENDITURES:				
Current:				
Public safety	115,391	-	-	-
Streets	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	36,082	12,155
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance cost	-	-	-	-
Total expenditures	115,391	-	36,082	12,155
REVENUES OVER (UNDER) EXPENDITURES	5,702	42,235	18,458	38,327
OTHER FINANCING SOURCES (USES):				
Transfers in	-	25,726	-	-
Transfers out	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Proceeds from sale of capital assets	-	-	4,300	-
Total other financing sources (uses)	-	25,726	4,300	-
Net change in fund balances	5,702	67,961	22,758	38,327
FUND BALANCES:				
Beginning of year	36,297	43,187	37,112	91,641
End of year	\$ 41,999	\$ 111,148	\$ 59,870	\$ 129,968

Special Revenue Funds

Park Land In-lieu Fund	State Revolving Loan Fund	State Revolving Economic Development Fund	HOME Revolving Loan Fund	Traffic Safety Fund	Barry Creek Development Fund	Skyline Rt. 139 Signal Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	7,796	-	-
156	245	531	439	188	-	-
-	-	-	-	-	-	-
-	5,439	2,890	1,495	-	-	-
-	-	-	-	-	-	-
156	5,684	3,421	1,934	7,984	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	68,085	-	-	-	-	-
-	-	-	-	281	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	68,085	-	-	281	-	-
156	(62,401)	3,421	1,934	7,703	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(489)	(18,022)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(489)	(18,022)
156	(62,401)	3,421	1,934	7,703	(489)	(18,022)
24,858	434,382	369,326	190,535	81,454	489	18,022
\$ 25,014	\$ 371,981	\$ 372,747	\$ 192,469	\$ 89,157	\$ -	\$ -

City of Susanville
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2014

	Special Revenue Funds			
	Skyline Numa Signal Fund	Skyline Bicycle Lane Fund	Chestnut Street Culvert Fund	State of California Prop 30 AB 109 Fund
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Use of money and property	-	17	-	-
Intergovernmental revenues	-	-	-	28,273
Program income	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	17	-	28,273
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Streets	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance cost	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	17	-	28,273
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(77,795)	-	(25,237)	(24,674)
Payment to refunded debt escrow agent	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(77,795)	-	(25,237)	(24,674)
Net change in fund balances	(77,795)	17	(25,237)	3,599
FUND BALANCES:				
Beginning of year	77,795	7,465	25,237	24,674
End of year	\$ -	\$ 7,482	\$ -	\$ 28,273

Special Revenue Fund	Debt Service Fund			Capital Projects Fund	
Paul Bunyan Ash Street Mitigation Fund	City Hall Debt Service Fund	Mark Roos 92B Debt Service Fund	Side Fund Debt Service Fund	Prop 1B Local Streets and Road Fund	Sierra Park Project Fund
\$ -	\$ -	\$ 29,324	\$ -	\$ -	\$ -
-	-	-	-	-	-
218	-	22	-	-	-
-	-	-	-	-	25,020
-	-	-	-	-	-
-	-	-	-	-	-
218	-	29,346	-	-	25,020
-	-	-	-	-	-
-	-	-	-	43,458	-
-	-	-	-	-	3,075
-	-	-	-	-	-
-	83,367	105,000	48,000	-	-
-	53,215	46,110	69,279	-	-
-	-	-	108,809	-	-
-	136,582	151,110	226,088	43,458	3,075
218	(136,582)	(121,764)	(226,088)	(43,458)	21,945
95,817	81,096	-	1,011,725	-	-
-	-	-	-	-	-
-	-	-	(4,798,191)	-	-
-	-	-	4,907,000	-	-
-	-	-	-	-	-
95,817	81,096	-	1,120,534	-	-
96,035	(55,486)	(121,764)	894,446	(43,458)	21,945
-	104,361	962,865	-	69,109	150,535
<u>\$ 96,035</u>	<u>\$ 48,875</u>	<u>\$ 841,101</u>	<u>\$ 894,446</u>	<u>\$ 25,651</u>	<u>\$ 172,480</u>

City of Susanville
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2014

	Capital Projects Fund	Total
	City Hall Parking Lot Project Fund	Non-Major Governmental Funds
REVENUES:		
Taxes and assessments	\$ -	\$ 29,324
Fines and forfeitures	-	7,796
Use of money and property	-	2,375
Intergovernmental revenues	-	174,368
Program income	-	9,824
Other revenues	-	146,716
Total revenues	-	370,403
EXPENDITURES:		
Current:		
Public safety	-	115,391
Streets	-	43,458
Community development	-	71,160
Capital outlay	401	48,919
Debt service:		
Principal	-	236,367
Interest and fiscal charges	-	168,604
Debt issuance cost	-	108,809
Total expenditures	401	792,708
REVENUES OVER (UNDER) EXPENDITURES	(401)	(422,305)
OTHER FINANCING SOURCES (USES):		
Transfers in	45,000	1,259,364
Transfers out	-	(146,217)
Payment to refunded debt escrow agent	-	(4,798,191)
Proceeds of long-term debt	-	4,907,000
Proceeds from sale of capital assets	-	4,300
Total other financing sources (uses)	45,000	1,226,256
Net change in fund balances	44,599	803,951
FUND BALANCES:		
Beginning of year	-	2,749,344
End of year	\$ 44,599	\$ 3,553,295

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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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 18	\$ 18
Intergovernmental revenue	100,000	100,000	121,075	21,075
Total revenues	100,000	100,000	121,093	21,093
EXPENDITURES:				
Current:				
Public safety:	100,000	100,410	115,391	(14,981)
Total expenditures	100,000	100,410	115,391	(14,981)
Net change in fund balance	\$ -	\$ (410)	5,702	\$ 6,112
FUND BALANCE:				
Beginning of year			36,297	
End of year			\$ 41,999	

City of Susanville

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

Street Mitigation Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 160	\$ 160
Other revenues	13,800	19,986	42,075	22,089
Total revenues	13,800	19,986	42,235	22,249
REVENUES OVER (UNDER) EXPENDITURES	13,800	19,986	42,235	22,249
OTHER FINANCING SOURCES:				
Transfers in	-	-	25,726	25,726
Transfers out	(13,800)	(13,800)	-	13,800
Total other financing sources (uses)	(13,800)	(13,800)	25,726	39,526
Net change in fund balance	\$ 27,600	\$ 33,786	67,961	\$ 61,775
FUND BALANCE:				
Beginning of year			43,187	
End of year			\$ 111,148	

City of Susanville

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

Police Mitigation Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 112	\$ 112
Other revenues	17,350	25,848	54,428	28,580
Total revenues	17,350	25,848	54,540	28,692
EXPENDITURES:				
Capital outlay	38,000	37,124	36,082	1,042
Total expenditures	38,000	37,124	36,082	1,042
REVENUES OVER (UNDER) EXPENDITURES	(20,650)	(11,276)	18,458	29,734
OTHER FINANCING SOURCES:				
Proceeds from sale of capital assets	-	-	4,300	4,300
Net change in fund balance	\$ (20,650)	\$ (11,276)	22,758	\$ 29,734
FUND BALANCE:				
Beginning of year			37,112	
End of year			<u>\$ 59,870</u>	

City of Susanville

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

Fire Mitigation Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 269	\$ 269
Other revenues	15,150	23,829	50,213	26,384
Total revenues	15,150	23,829	50,482	26,653
EXPENDITURES:				
Capital outlay	65,000	65,000	12,155	52,845
Total expenditures	65,000	65,000	12,155	52,845
Net change in fund balance	\$ (49,850)	\$ (41,171)	38,327	\$ 79,498
FUND BALANCE:				
Beginning of year			91,641	
End of year			<u>\$ 129,968</u>	

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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 156	\$ 156
Other revenues	850	850	-	(850)
Total revenues	850	850	156	(694)
Net change in fund balance	\$ 850	\$ 850	156	\$ (694)
FUND BALANCE:				
Beginning of year			24,858	
End of year			\$ 25,014	

City of Susanville

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

State Revolving Loan Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 245	\$ 245
Program income	20,000	20,000	5,439	(14,561)
Total revenues	20,000	20,000	5,684	(14,316)
EXPENDITURES:				
Current:				
Community Development	100,000	100,000	68,085	(31,915)
Total expenditures	100,000	100,000	68,085	(31,915)
Net change in fund balance	\$ (80,000)	\$ (80,000)	(62,401)	\$ (14,316)
FUND BALANCE:				
Beginning of year			434,382	
End of year			\$ 371,981	

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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 198	\$ 198	\$ 531	\$ 333
Program income	13,322	13,322	2,890	(10,432)
Total revenues	13,520	13,520	3,421	(10,099)
Net change in fund balance	\$ 13,520	\$ 13,520	3,421	\$ (10,099)
FUND BALANCE:				
Beginning of year			369,326	
End of year			\$ 372,747	

City of Susanville

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

HOME Revolving Loan Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 155	\$ 155	\$ 439	\$ 284
Program income	22,220	22,220	1,495	(20,725)
Total revenues	22,375	22,375	1,934	(20,441)
Net change in fund balance	\$ 22,375	\$ 22,375	1,934	\$ (20,441)
FUND BALANCE:				
Beginning of year			190,535	
End of year			\$ 192,469	

City of Susanville

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

Traffic Safety Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 7,796	\$ (2,204)
Use of money and property	158	158	188	30
Total revenues	10,158	10,158	7,984	(2,174)
EXPENDITURES:				
Capital outlay	10,000	10,000	281	9,719
Total expenditures	10,000	10,000	281	9,719
Net change in fund balance	\$ 158	\$ 158	7,703	\$ 7,545
FUND BALANCE:				
Beginning of year			81,454	
End of year			\$ 89,157	

City of Susanville

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

Barry Creek Development Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES:				
Transfers out	-	-	(489)	(489)
Total other financing sources (uses)	-	-	(489)	(489)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(489)	<u>\$ (489)</u>
FUND BALANCE:				
Beginning of year			489	
End of year			<u>\$ -</u>	

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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Other revenues	100	100	-	(100)
Total revenues	100	100	-	(100)
OTHER FINANCING SOURCES:				
Transfers out	-	-	(18,022)	
Total other financing sources (uses)	-	-	(18,022)	
Net change in fund balance	\$ 100	\$ 100	(18,022)	\$ (100)
FUND BALANCE:				
Beginning of year			18,022	
End of year			\$ -	

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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Other revenues	500	500	-	(500)
Total revenues	500	500	-	(500)
OTHER FINANCING SOURCES:				
Transfers out	-	-	(77,795)	(77,795)
Total other financing sources (uses)	-	-	(77,795)	(77,795)
Net change in fund balance	\$ 500	\$ 500	(77,795)	\$ (78,295)
FUND BALANCE:				
Beginning of year			77,795	
End of year			\$ -	

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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 17	\$ 17
Other revenues	100	100	-	(100)
Total revenues	100	100	17	(83)
Net change in fund balance	\$ 100	\$ 100	17	\$ (83)
FUND BALANCE:				
Beginning of year			7,465	
End of year			\$ 7,482	

City of Susanville

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

Chestnut Street Culvert Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Other revenues	-	-	-	-
Total revenues	-	-	-	-
OTHER FINANCING SOURCES:				
Transfers out	-	-	(25,237)	(25,237)
Total other financing sources (uses)	-	-	(25,237)	(25,237)
Net change in fund balance	\$ -	\$ -	(25,237)	\$ (25,237)
FUND BALANCE:				
Beginning of year			25,237	
End of year			\$ -	

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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 26,674	\$ 26,674	\$ 28,273	\$ 1,599
Total revenues	26,674	26,674	28,273	1,599
OTHER FINANCING SOURCES:				
Transfers out	-	(24,674)	(24,674)	-
Total other financing sources (uses)	-	(24,674)	(24,674)	-
Net change in fund balance	\$ 26,674	\$ 2,000	3,599	\$ 1,599
FUND BALANCE:				
Beginning of year			24,674	
End of year			\$ 28,273	

City of Susanville

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

Paul Bunyan Ash Street Mitigation Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ -	\$ -	\$ 218	\$ 218
Total revenues	-	-	218	218
OTHER FINANCING SOURCES:				
Transfers in	-	-	95,817	95,817
Total other financing sources (uses)	-	-	95,817	95,817
Net change in fund balance	\$ -	\$ -	96,035	\$ 96,035
FUND BALANCE:				
Beginning of year			-	
End of year			\$ 96,035	

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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 100	\$ 100	\$ -	\$ (100)
Total revenues	100	100	-	(100)
EXPENDITURES:				
Debt service:				
Principal	86,823	86,823	83,367	3,456
Interest and fiscal charges	59,524	59,524	53,215	6,309
Total expenditures	146,347	146,347	136,582	9,765
REVENUES OVER (UNDER) EXPENDITURES	(146,247)	(146,247)	(136,582)	9,665
OTHER FINANCING SOURCES (USES):				
Transfers in	81,101	81,101	81,096	-
Total other financing sources (uses)	81,101	81,101	81,096	-
Net change in fund balance	\$ (65,146)	\$ (65,146)	(55,486)	\$ 9,665
FUND BALANCE:				
Beginning of year			104,361	
End of year			<u>\$ 48,875</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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 152,319	\$ 152,319	\$ 29,324	\$ (122,995)
Use of money and property	-	-	22	22
Total revenues	152,319	152,319	29,346	(122,973)
EXPENDITURES:				
Debt service:				
Principal	105,000	105,000	105,000	-
Interest and fiscal charges	47,319	47,319	46,110	1,209
Total expenditures	152,319	152,319	151,110	1,209
Net change in fund balance	\$ -	\$ -	(121,764)	\$ (121,764)
FUND BALANCE:				
Beginning of year			962,865	
End of year			\$ 841,101	

City of Susanville

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

Side Fund Debt Service Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	-	95,000	48,000	47,000
Interest and fiscal charges	-	184,679	69,279	115,400
Debt issuance cost	-	108,809	108,809	-
Total expenditures	-	388,488	226,088	162,400
REVENUES OVER (UNDER) EXPENDITURES	-	(388,488)	(226,088)	162,400
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,011,727	1,011,725	-
Payment to refunded debt escrow agent	-	(4,798,191)	(4,798,191)	-
Proceeds of long-term debt	-	4,907,000	4,907,000	-
Total other financing sources (uses)	-	1,120,536	1,120,534	-
Net change in fund balance	\$ -	\$ 732,048	894,446	\$ 162,400
FUND BALANCE:				
Beginning of year			-	
End of year			\$ 894,446	

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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
Streets	\$ -	\$ 70,397	\$ 43,458	\$ 26,939
Total expenditures	-	70,397	43,458	26,939
Net change in fund balance	\$ -	\$ 70,397	(43,458)	\$ 26,939
 FUND BALANCE:				
Beginning of year			69,109	
End of year			\$ 25,651	

City of Susanville

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

Sierra Park Project Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	-	-	25,020	25,020
Total revenues	-	-	25,020	25,020
EXPENDITURES:				
Current:				
Community development	\$ -	\$ 77,856	\$ 3,075	\$ 74,781
Total expenditures	-	77,856	3,075	74,781
Net change in fund balance	\$ -	\$ 77,856	21,945	\$ 99,801
FUND BALANCE:				
Beginning of year			150,535	
End of year			<u>\$ 172,480</u>	

City of Susanville

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

City Hall Parking Lot Project Fund

For the year ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Capital outlay	-	-	401	(401)
Total expenditures	-	-	401	(401)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(401)	(401)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	45,000	45,000
Total other financing sources (uses)	-	-	45,000	45,000
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	44,599	<u>\$ 44,599</u>
FUND BALANCE:				
Beginning of year				
End of year			<u>\$ 44,599</u>	

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NON MAJOR ENTERPRISE FUNDS

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

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

Golf Course Fund accounts for the City's golf course

City of Susanville
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2014

	Airport Fund	Golf Course Fund	Geothermal Fund	Total Non-Major Enterprise Funds
ASSETS				
Current assets:				
Cash and investments	\$ 1,824	\$ 47,943	\$ 276,338	\$ 326,105
Accounts receivable	43,646	8,659	5,587	57,892
Interest receivable	-	28	145	173
Prepaid expenses	-	85	1,200	1,285
Inventory	-	3,927	-	3,927
Total current assets	45,470	60,642	283,270	389,382
Noncurrent assets:				
Capital assets:				
Non-depreciable, net	141,679	2,168,107	249,124	2,558,910
Depreciable, net	1,694,426	311,635	3,109	2,009,170
Total capital assets	1,836,105	2,479,742	252,233	4,568,080
Total noncurrent assets	1,836,105	2,479,742	252,233	4,568,080
Total assets	1,881,575	2,540,384	535,503	4,957,462
LIABILITIES				
Current liabilities:				
Accounts payable	46,092	24,194	85	70,371
Accrued wages	-	4,891	-	4,891
Unearned revenue	-	48,986	-	48,986
Total current liabilities	46,092	78,071	85	124,248
Total liabilities	46,092	78,071	85	124,248
NET POSITION				
Net investment in capital assets	1,836,105	2,479,742	252,233	4,568,080
Unrestricted	(622)	(17,429)	283,185	265,134
Total net position	\$ 1,835,483	\$ 2,462,313	\$ 535,418	\$ 4,833,214

City of Susanville
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-Major Enterprise Funds
For the year ended June 30, 2014

	Airport Fund	Golf Course Fund	Geothermal Fund	Total Non-Major Enterprise Funds
OPERATING REVENUES:				
Sales and charges for services	\$ 81,680	\$ 317,388	\$ 92,732	\$ 491,800
Total operating revenues	81,680	317,388	92,732	491,800
OPERATING EXPENSES:				
Direct:				
Administration	52,807	301,726	28,118	382,651
Depreciation and amortization	132,050	21,635	1,242	154,927
Total direct operating expenses	184,857	323,361	29,360	537,578
Indirect:				
Overhead allocation	35,122	17,962	28,384	81,468
Total indirect operating expenses	35,122	17,962	28,384	81,468
Total operating expenses	219,979	341,323	57,744	619,046
OPERATING INCOME (LOSS):	(138,299)	(23,935)	34,988	(127,246)
NONOPERATING REVENUES (EXPENSES):				
Interest income	-	75	647	722
Interest expense and fiscal charges	-	(9,153)	-	(9,153)
Gain on sale of capital assets	-	800	-	800
Reimbursements	-	16,051	-	16,051
Total nonoperating revenues (expenses)	-	7,773	647	8,420
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(138,299)	(16,162)	35,635	(118,826)
Capital contributions	61,354	-	-	61,354
Transfers in	15,000	468,234	-	483,234
Transfers out	-	-	(1,331)	(1,331)
Total transfers	15,000	468,234	(1,331)	481,903
Change in net position	(61,945)	452,072	34,304	424,431
NET POSITION:				
Beginning of year	1,897,428	2,010,241	501,114	4,408,783
End of year	<u>\$ 1,835,483</u>	<u>\$ 2,462,313</u>	<u>\$ 535,418</u>	<u>\$ 4,833,214</u>

City of Susanville
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2014

	Airport Fund	Golf Course Fund	Geothermal Fund	Total Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 72,806	\$ 315,494	\$ 93,692	\$ 481,992
Payments to suppliers and users	(71,672)	(219,879)	(52,531)	(344,082)
Payments to employees	(2,843)	(97,112)	(3,997)	(103,952)
Net cash provided by (used in) operating activities	(1,709)	(1,497)	37,164	33,958
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash receipts from other funds	15,000	8,648	-	23,648
Cash payments to other funds	(5,695)	-	(1,331)	(7,026)
Net cash provided by (used in) noncapital financing activities	9,305	8,648	(1,331)	16,622
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	(67,131)	1	-	(67,130)
Proceeds from sale of capital assets	-	800	-	800
Capital grants received	61,354	16,051	-	77,405
Interest paid	-	(9,154)	-	(9,154)
Principal payments - long-term debt	-	(18,297)	-	(18,297)
Net cash provided by (used in) capital and related financing activities	(5,777)	(10,599)	-	(16,376)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	5	89	670	764
Net cash provided by investing activities	5	89	670	764
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	1,824	(3,359)	36,503	34,968
CASH AND CASH EQUIVALENTS:				
Beginning of year	-	51,302	239,835	291,137
End of year	<u>\$ 1,824</u>	<u>\$ 47,943</u>	<u>\$ 276,338</u>	<u>\$ 326,105</u>
FINANCIAL STATEMENT PRESENTATION:				
Cash and investments	\$ 1,824	\$ 47,943	\$ 276,338	\$ 326,105
Restricted cash and investments with fiscal agents	-	-	-	-
Total	<u>\$ 1,824</u>	<u>\$ 47,943</u>	<u>\$ 276,338</u>	<u>\$ 326,105</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ (138,299)	\$ (23,935)	\$ 34,988	\$ (127,246)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	132,050	21,635	1,242	154,927
Changes in assets and liabilities:				
Accounts receivable	(3,874)	(3,780)	960	(6,694)
Prepaid expenses	-	(9)	-	(9)
Accounts payable	13,414	2,116	(26)	15,504
Accrued wages	-	590	-	590
Unearned revenue	(5,000)	1,886	-	(3,114)
Total adjustments	<u>136,590</u>	<u>22,438</u>	<u>2,176</u>	<u>161,204</u>
Net cash provided by operating activities	<u>\$ (1,709)</u>	<u>\$ (1,497)</u>	<u>\$ 37,164</u>	<u>\$ 33,958</u>

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, 2014

	Public Works Administration Fund	Risk Management Fund	Retirement Benefits Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 27,342	\$ 232,497	\$ 27,780	\$ 287,619
Accounts receivable	-	-	-	-
Interest receivable	1	66	-	67
Prepaid expenses	1,203	667	-	1,870
Total current assets	28,546	233,230	27,780	289,556
Noncurrent assets:				
Advances to other funds	-	-	-	-
Total noncurrent assets	-	-	-	-
Total assets	28,546	233,230	27,780	289,556
LIABILITIES				
Liabilities:				
Current liabilities:				
Accounts payable	13,235	3,267	-	16,502
Accrued wages	5,350	-	-	5,350
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	-	-	6,144	6,144
Total current liabilities	22,527	3,267	50,784	76,578
Noncurrent liabilities:				
Compensated absences - due in more than one year	6,362	-	-	6,362
Early retirement incentive - due in more than one year	-	-	83,700	83,700
Sick leave conversion payable - due in more than one year	-	-	23,000	23,000
Total noncurrent liabilities	6,362	-	106,700	113,062
Total liabilities	28,889	3,267	157,484	189,640
NET POSITION				
Unrestricted	(343)	229,963	(129,704)	99,916
Total net position	\$ (343)	\$ 229,963	\$ (129,704)	\$ 99,916

City of Susanville
Combining Statement of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
For the year ended June 30, 2014

	Public Works Administration Fund	Risk Management Fund	Retirement Benefits Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 523,855	\$ 562,769	\$ -	\$ 1,086,624
Total operating revenues	523,855	562,769	-	1,086,624
OPERATING EXPENSES:				
Administration	458,686	223,182	-	681,868
Insurance costs and claims	65,190	240,625	-	305,815
Total operating expenses	523,876	463,807	-	987,683
OPERATING INCOME (LOSS)	(21)	98,962	-	98,941
NONOPERATING REVENUES EXPENSES:				
Interest income	22	5,045	-	5,067
Total nonoperating revenues (expenses)	22	5,045	-	5,067
INCOME (LOSS) BEFORE TRANSFERS	1	104,007	-	104,008
Transfers in	-	-	44,640	44,640
Transfers out	-	(732,046)	-	(732,046)
Total transfers in (out)	-	(732,046)	44,640	(687,406)
Change in net position	1	(628,039)	44,640	(583,398)
NET POSITION:				
Beginning of year	(344)	858,002	(174,344)	683,314
End of year	\$ (343)	\$ 229,963	\$ (129,704)	\$ 99,916

City of Susanville
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2014

	Public Works Administration Fund	Risk Management Fund	Retirement Benefits Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from city charges	\$ 523,855	\$ 750,999	\$ -	\$ 1,274,854
Payment to suppliers and users	(54,496)	(235,929)	-	(290,425)
Payment to employees	(479,529)	(223,182)	(50,784)	(753,495)
Net cash provided by (used in) operating activities	(10,170)	291,888	(50,784)	230,934
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash receipts from other funds	-	-	44,640	44,640
Cash payments to other funds	-	(496,610)	-	(496,610)
Net cash provided by (used in) noncapital financing activities	-	(496,610)	44,640	(451,970)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income received	29	5,257	-	5,286
Net cash provided by investing activities	29	5,257	-	5,286
Net increase (decrease) in cash and cash equivalents	(10,141)	(199,465)	(6,144)	(215,750)
CASH AND CASH EQUIVALENTS:				
Beginning of year	37,483	431,962	33,924	503,369
End of year	\$ 27,342	\$ 232,497	\$ 27,780	\$ 287,619
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (21)	\$ 98,962	\$ -	\$ 98,941
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	-	188,230	-	188,230
Prepaid expenses	110	1,868	-	1,978
Accounts payable	10,584	2,828	-	13,412
Accrued wages	(2,466)	-	-	(2,466)
Compensated absences	(18,377)	-	-	(18,377)
Early retirement incentive	-	-	(44,640)	(44,640)
Sick leave conversion payable	-	-	(6,144)	(6,144)
Total adjustments	(10,149)	192,926	(50,784)	131,993
Net cash provided by (used in) operating activities	\$ (10,170)	\$ 291,888	\$ (50,784)	\$ 230,934

FIDUCIARY FUNDS

LAFCO Fund , accounts for agency activities for LAFCO.

HUSA Busines 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, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
LAFCO Fund				
ASSETS				
Cash and investments	\$ 26,644	\$ 56,989	\$ (60,277)	\$ 23,356
Interest receivable	21	16	(21)	16
Total Assets	<u>\$ 18,740</u>	<u>\$ 57,005</u>	<u>\$ (60,298)</u>	<u>\$ 23,372</u>
LIABILITIES				
Deposits payable	<u>\$ 18,740</u>	<u>\$ 57,005</u>	<u>\$ (60,298)</u>	<u>\$ 15,447</u>
Total Liabilities	<u>\$ 18,740</u>	<u>\$ 57,005</u>	<u>\$ (60,298)</u>	<u>\$ 15,447</u>
HUSA Business Improvement Fund				
ASSETS				
Cash and investments	\$ 2,011	\$ 4,382	\$ (814)	\$ 5,579
Accounts receivable	5,837	6,398	(5,837)	6,398
Total Assets	<u>\$ 7,848</u>	<u>\$ 10,780</u>	<u>\$ (6,651)</u>	<u>\$ 11,977</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	7,848	4,129	-	11,977
Total Liabilities	<u>\$ 7,848</u>	<u>\$ 4,129</u>	<u>\$ -</u>	<u>\$ 11,977</u>
Air Pollution District Fund				
ASSETS				
Cash and investments	\$ 593,951	\$ 492,838	\$ (395,806)	\$ 690,983
Accounts receivable	26,839	8,920	(26,839)	8,920
Interest receivable	413	274	(413)	274
Total Assets	<u>\$ 621,203</u>	<u>\$ 502,032</u>	<u>\$ (423,058)</u>	<u>\$ 700,177</u>
LIABILITIES				
Accounts payable	\$ 2,817	\$ 4,258	\$ (2,817)	\$ 4,258
Deposits payable	613,121	490,205	(414,976)	688,350
Compensated absences	5,265	7,569	(5,265)	7,569
Total Liabilities	<u>\$ 618,386</u>	<u>\$ 502,032</u>	<u>\$ (423,058)</u>	<u>\$ 700,177</u>
Total Agency Funds				
ASSETS				
Cash and investments	\$ 622,606	\$ 554,209	\$ (456,897)	\$ 719,918
Accounts receivable	32,676	15,318	(32,676)	15,318
Interest receivable	434	290	(434)	290
Total Assets	<u>\$ 655,716</u>	<u>\$ 569,817</u>	<u>\$ (490,007)</u>	<u>\$ 735,526</u>
LIABILITIES				
Accounts payable	\$ 2,817	\$ 4,258	\$ (2,817)	\$ 4,258
Deposits payable	647,634	551,339	(475,274)	723,699
Compensated absences	5,265	7,569	(5,265)	7,569
Total Liabilities	<u>\$ 655,716</u>	<u>\$ 563,166</u>	<u>\$ (483,356)</u>	<u>\$ 735,526</u>

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 Eleven 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	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.

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

	Fiscal Year						
	2008	2009	2010	2011	2012	2013	2014 (1)
\$	2,274,687	\$ 2,062,283	\$ 1,849,411	\$ 1,829,076	\$ 2,308,372	\$ 2,012,346	\$ 1,857,866
	1,780,484	1,547,711	1,568,520	1,498,398	4,528,631	4,087,019	4,440,352
	5,396,427	5,607,906	5,810,858	5,908,797	2,409,681	2,510,650	(1,756,001)
\$	9,451,598	\$ 9,217,900	\$ 9,228,789	\$ 9,236,271	\$ 9,246,684	\$ 8,610,015	\$ 4,542,217
\$	(2,285,127)	\$ (1,804,335)	\$ (2,877,539)	\$ (990,783)	\$ (2,692,970)	\$ (488,623)	\$ (3,222,304)
	2,864,661	2,864,798	2,864,195	2,287,718	2,289,356	2,446,070	2,445,921
	2,044,780	2,269,768	3,649,199	3,672,627	6,180,214	5,049,590	8,308,203
\$	2,624,314	\$ 3,330,231	\$ 3,635,855	\$ 4,969,562	\$ 5,776,600	\$ 7,007,037	\$ 7,531,820
\$	(10,440)	\$ 257,948	\$ (1,028,128)	\$ 838,293	\$ (384,598)	\$ 1,523,723	\$ (1,364,438)
	4,645,145	4,412,509	4,432,715	3,786,116	6,817,987	6,533,089	6,886,273
	7,441,207	7,877,674	9,460,057	9,581,424	8,589,895	7,560,240	6,552,202
\$	12,075,912	\$ 12,548,131	\$ 12,864,644	\$ 14,205,833	\$ 15,023,284	\$ 15,617,052	\$ 12,074,037

Schedule 2
City of Susanville
Changes in Net Position
Last Eleven 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	7,537,036	7,355,945	7,386,099	7,322,735
Business-type activities:				
Rodeo	\$70,032	55,031	36,508	0
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	0	0
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	4,923,789	6,741,940	7,457,883	7,327,909
Total primary government expenses	\$12,460,825	\$14,097,885	\$14,843,982	\$14,650,644
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	0	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	0	53,172	337,178	494,448
Total governmental activities program revenues	3,831,979	2,608,089	2,711,211	2,724,873
Business-type activities:				
Charges for services:				
Rodeo	61,297	50,700	29,654	0
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	0	0
Day Care	98,485	134,231	121,386	117,446
Golf Course	0	0	0	0
Operating grants and contributions	25,666	174,347	202,667	283,641
Capital grants and contributions				438,934
Total business-type activities program revenues	4,107,964	5,505,303	6,776,800	7,353,856
Total primary government program revenues	\$7,939,943	\$8,113,392	\$9,488,011	\$10,078,729

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	2014
\$816,839	\$1,228,083	\$1,094,945	\$1,149,706	\$1,105,539	\$787,118	\$943,178
3,696,206	3,479,617	3,517,162	3,461,796	3,371,428	3,249,421	3,373,503
1,427,687	935,540	963,197	1,240,131	839,484	2,580,926	1,006,322
244,966	235,270	210,793	239,869	203,416	214,070	237,433
325,669	288,355	255,316	255,719	242,259	240,801	328,807
462,648	416,103	149,961	106,432	214,604	405,626	141,523
194,800	186,060	175,910	166,008	288,284	116,906	289,184
7,168,815	6,769,028	6,367,284	6,619,661	6,265,014	7,594,868	6,319,950
0	0	0	0	0	0	0
166,609	189,488	171,886	227,608	248,776	236,959	219,979
2,145,401	2,396,179	2,126,843	1,997,499	1,976,560	2,041,448	1,989,849
63,868	55,889	52,561	67,755	47,435	48,214	57,744
4,941,853	4,924,613	4,557,201	4,341,673	4,093,592	4,052,356	4,170,689
0	0	0	0	0	0	0
118,160	144,912	120,890	93,502	0	0	0
99,865	112,179	136,267	311,089	442,571	429,898	350,476
7,535,756	7,823,260	7,165,648	7,039,126	6,808,934	6,808,875	6,788,737
\$14,704,571	\$14,592,288	\$13,532,932	\$13,658,787	\$13,073,948	\$14,403,743	\$13,108,687
\$27,937	\$132,822	\$155,256	\$303,864	\$487,912	\$12,830	\$103,486
121,247	137,948	172,430	201,942	127,275	68,428	52,593
	36,417	49,047	61,704	86,309	436	1,715
	31,433	9,491	8,749	1,761	75,200	117,560
8,931	18,526	22,472	20,461	24,152	99,123	178,785
176,485	100,443	94,344	86,654	95,094	33,288	52,538
1,178,902	1,183,468	748,635	741,230	799,904	994,075	1,096,669
1,098,653	98,210	162,515	600,507	155,084	1,736,845	896,293
2,612,155	1,739,267	1,414,190	2,025,111	1,777,491	3,020,225	2,499,639
0	0	0	0	0	0	0
52,477	58,097	58,284	70,632	70,075	78,488	81,680
2,049,605	2,424,802	2,315,996	2,271,480	2,358,189	2,335,499	2,280,947
69,389	69,391	69,783	100,728	92,731	92,732	92,732
4,650,665	4,271,575	4,723,849	4,667,746	4,431,883	4,499,718	4,581,073
0	0	0	0	0	0	0
107,890	76,875	60,676	39,895	0	0	0
0	0	0	182,573	318,888	314,274	334,239
439,104	10,000	0	0	0	38,574	0
1,672,609	1,490,068	29,175	24,176	154,941	99,685	61,354
9,041,739	8,400,808	7,257,763	7,357,230	7,426,707	7,458,970	7,432,025
\$11,653,894	\$10,140,075	\$8,671,953	\$9,382,341	\$9,204,198	\$10,479,195	\$9,931,664

Schedule 2, Continued
City of Susanville
Changes in Net Position
Last Eleven Fiscal Years
Accrual Basis of Accounting

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

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	2014	
	(\$4,556,660)	(\$5,029,761)	(\$4,953,094)	(\$4,594,550)	(\$4,487,523)	(\$4,574,643)	(\$3,820,311)
	1,505,983	577,548	92,115	318,104	617,773	650,095	643,288
	(\$3,050,677)	(\$4,452,213)	(\$4,860,979)	(\$4,276,446)	(\$3,869,750)	(\$3,924,548)	(\$3,177,023)
	\$924,914	\$913,055	\$829,452	\$824,578	\$757,463	\$859,457	\$1,455,797
	1,326,767	1,193,085	1,076,014	1,081,602	1,161,677	1,162,834	1,118,328
	517,214	405,860	380,354	366,382	391,546	379,119	400,724
	55,428	45,197	48,855	60,840	49,988	24,493	49,776
	247,732	235,283	231,796	227,101	220,339	226,004	221,939
	246,035	70,723	188,948	105,350	79,625	45,175	39,786
	1,396,408	1,488,666	298,882	409,887	304,260	428,017	384,924
	419,193	474,943	1,523,051	1,461,838	1,407,887	1,362,579	1,335,361
	163,501	(35,749)	29,896	28,872	61,101	12,535	34,761
	(6,491)	0	0	0	0	0	0
	100,101	0	351,735	142,288	59,050	0	0
	5,000	5,000	5,000	(375,069)	5,000	(562,239)	(410,379)
	5,395,802	4,796,063	4,963,983	4,333,669	4,497,936	3,937,974	4,631,017
	282,717	120,656	27,132	25,297	21,743	18,103	18,698
	17,982	0	0	0	0	0	0
	1,512	12,713	42,542	20,098	276,346	0	0
	(5,000)	(5,000)	(5,000)	375,069	(5,000)	562,239	410,379
	297,211	128,369	64,674	420,464	293,089	580,342	429,077
	5,693,013	4,924,432	5,028,657	4,754,133	4,791,025	4,518,316	5,060,094
	839,142	(233,698)	10,889	(260,881)	10,413	(636,669)	810,706
	1,803,194	705,917	156,789	738,568	910,862	1,230,437	1,072,365
	\$2,642,336	\$472,219	\$167,678	\$477,687	\$921,275	\$593,768	\$1,883,071

Schedule 3
City of Susanville
Fund Balances - Governmental Funds,
Last Eleven 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

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

2008	2009	2010	Fiscal Year		2013	2014(1)
			2011	2012		
\$418,932	\$434,141	\$441,654	\$0	\$0	\$0	\$0
1,608,564	1,838,236	2,010,551	0	0	0	0
			550,746	270,650	286,411	55,433
			17,931	18,011	0	18,145
			123,142	0	0	0
			13,776	25,212	14,776	17,066
			1,537,145	1,837,349	1,846,833	2,248,889
2,027,496	2,272,377	2,452,205	2,242,740	2,151,222	2,148,020	2,339,533
382,257	508,891	511,888	0	0	0	0
1,108,885	811,082	870,418	0	0	0	0
289,433	309,930	148,527	0	0	0	0
1,840,120	1,604,737	1,622,026	0	0	0	0
			0	0	742	0
			3,836,585	2,934,499	3,130,806	3,203,044
			0	0	0	0
			0	0	0	939,045
			(736,872)	(156,372)	(478,663)	0
\$3,620,695	\$3,234,640	\$3,152,859	\$3,099,713	\$2,778,127	\$2,652,885	\$4,142,089

Schedule 4
City of Susanville
Changes in Fund Balances - Governmental Funds
Last Eleven 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 from debt issuance					
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	2013	2014
\$4,591,529	\$4,345,556	\$4,537,578	\$4,372,785	\$4,498,960	\$5,035,959
103,413	100,231	92,956	100,385	74,183	101,323
47,614	34,400	26,667	20,246	31,203	24,301
(45,822)	26,242	17,202	11,477	27,504	54,042
1,157,971	812,150	1,299,139	990,261	2,722,868	1,985,090
53,969	67,644	60,693	36,831	50,400	14,824
308,690	331,481	98,356	76,106	66,244	71,367
356,862	719,459	602,319	651,310	43,270	249,062
<hr/>					
6,574,226	6,437,163	6,734,910	6,259,401	7,514,632	7,535,968
<hr/>					
996,337	969,963	944,718	661,910	605,024	753,719
3,379,768	3,417,876	3,359,711	3,286,106	3,247,121	3,285,119
912,577	948,044	1,224,596	816,587	2,663,852	973,660
234,303	209,633	238,709	202,256	218,394	229,397
219,456	193,714	193,759	181,416	185,481	209,120
475,789	265,687	247,892	214,604	311,528	216,459
184,642	25,910	106,003	200,718	83,207	64,123
<hr/>					
135,000	140,000	145,000	160,000	135,216	236,367
182,529	173,289	162,064	154,957	94,110	168,604
			86,454	-	108,809
<hr/>					
6,720,400	6,344,115	6,622,451	5,965,008	7,543,933	6,245,377
<hr/>					
(146,174)	93,047	112,458	294,392	(29,301)	1,290,591
<hr/>					
883,648	492,437	358,322	1,083,137	168,537	1,335,422
(878,648)	(487,437)	(733,391)	(1,093,137)	(775,416)	(1,058,395)
			(1,787,682)	-	(4,798,191)
				16,356	4,300
					4,907,000
			1,581,555	0	0
<hr/>					
5,000	5,000	(375,069)	(216,127)	(590,523)	390,136
<hr/>					
(141,174)	98,047	(262,611)	78,266	(619,823)	1,680,727
<hr/>					
4.9%	5.0%	4.7%	7.0%	3.1%	8.3%

Schedule 5
City of Susanville
Assessed Value and Estimated Actual Value of Taxable Property,
Last Eleven 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	1.0008
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	1.0279
2010	\$578,912,881	\$12,420	\$30,360,571	\$12,561,467	\$596,724,405	1.0264
2011	\$557,198,947	\$12,420	\$27,185,570	\$12,331,805	\$572,065,132	1.0268
2012	\$538,897,975	\$12,420	\$23,844,638	\$12,071,824	\$550,683,209	1.0288
2013	\$521,207,925	\$41,856	\$23,462,897	\$11,615,402	\$533,097,276	1.0324
2014	\$519,626,089	\$41,856	\$21,828,632	\$11,042,346	\$530,454,231	1.0389

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 Fifteen Fiscal Years
 Rate per \$1,000 of assessed value

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

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>	2014		2005(b)
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (a)
Wal-Mart	11,245,412	1	2.12%
Rassier-Mariani	10,455,357	2	1.97%
Triple E Investment Co. Inc.	8,014,396	3	1.51%
Ventas Eagle	7,492,465	4	1.41%
Foxdale Associates LTD (Walgreens)	6,435,466	5	1.21%
Lassen Station LP	4,462,343	6	0.84%
Susanville Citrus Manor	4,455,562	7	0.84%
Trav-Cor & Investment Inc	3,333,839	8	0.63%
Standiford, Larry & Reta	3,920,047	9	0.74%
2005 River LLC	3,339,248	10	0.63%
Total	<u>\$63,154,135</u>		<u>11.91%</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%	\$70,453	\$820,274	98.26%
2014	19,123,922	0.04092502	0.97446787	\$782,647	\$771,169	98.53%	\$0	\$771,169	98.53%

Sources:

Lassen County Assessors Office

Notes:

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

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

Schedule 9

City of Susanville

Ratios of Outstanding Debt by Type,

Last Eleven Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities				
	General Obligation Bonds (7)	Capital Leases	Term Loans (8)	Special Assessment Bonds (3)	Total Governmental Activities	Revenue Bonds (6)	Term Loan (4)(9)	Certificate of Participation (6)	Capital Leases (5)(9)	Total Business-type Activities
2004	2,215,000	185,904		1,200,000	3,600,904	6,405,000	973,390	24,240,000	5,572	31,623,962
2005	2,155,000	87,798		1,145,000	3,387,798	9,610,000	963,000	24,240,000	4,669	34,817,669
2006	2,095,000	52,238		1,140,000	3,287,238	9,480,000	953,000	24,240,000	4,669	34,677,669
2007	2,035,000	19,549		1,080,000	3,134,549	9,345,000	943,000	24,240,000	0	34,528,000
2008	1,975,000	0		1,015,000	2,990,000	9,200,000	1,285,222	24,240,000	0	34,725,222
2009	1,910,000	0		945,000	2,855,000	9,050,000	1,306,123	24,240,000	0	34,596,123
2010	1,845,000	0		870,000	2,715,000	9,050,000	1,336,194	24,240,000	77,034	34,703,228
2011	1,780,000	0		790,000	2,570,000	34,860,000	1,321,967	0	58,608	36,240,575
2012		1,581,555		700,000	2,281,555	34,230,000	1,330,615	0	39,063	35,599,678
2013		1,541,339		600,000	2,141,339	33,900,000	1,329,587	0	18,297	35,247,884
2014		1,457,972	\$4,859,000	500,000	6,816,972	33,440,000	856,000	0	0	34,296,000

Notes:

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

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

Total Primary Government	Percentage of Property Values (1)	Per Capita (2)
35,224,866	9.05%	3,871
38,205,467	9.24%	4,098
37,964,907	8.45%	4,097
37,662,549	7.57%	4,116
37,715,222	6.92%	4,149
37,451,123	6.42%	4,114
37,418,228	6.27%	4,161
38,810,575	6.78%	4,047
37,881,233	6.88%	4,051
37,389,223	7.01%	3,937
41,112,972	7.75%	4,497

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	2014
\$544,810,906	\$582,945,868	\$596,724,405	\$572,065,132	\$550,683,209	\$533,097,276	\$530,454,231
25%	25%	25%	25%	25%	25%	25%
\$136,202,727	\$145,736,467	\$149,181,101	\$143,016,283	\$137,670,802	\$133,274,319	\$132,613,558
15%	15%	15%	15%	15%	15%	15%
\$20,430,409	\$21,860,470	\$22,377,165	\$21,452,442	\$20,650,620	\$19,991,148	\$19,892,034
\$1,975,000	\$1,910,000	\$1,845,000	\$1,780,000	\$1,581,555	\$1,541,339	\$6,316,972
\$18,455,409	\$19,950,470	\$20,532,165	\$19,672,442	\$19,069,065	\$18,449,809	\$13,575,061
9.7%	8.7%	8.2%	8.3%	7.7%	7.7%	31.8%

chedule 11
City of Susanville
Ratios of General Bonded Debt Outstanding
Last Eleven Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita (a)
	General Obligation Bonds	Capital Leases	CalPERS Refunding Loans	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	0		1,975,000	0.36%	217
2009	1,910,000	0		1,910,000	0.33%	210
2010	1,845,000	0		1,845,000	0.31%	205
2011	1,780,000	0		1,780,000	0.31%	186
2012	0	1,581,555		1,581,555	0.29%	169
2013	0	1,541,339		1,541,339	0.29%	162
2014	0	1,457,972	4,859,000	6,316,972	1.19%	691

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 Eleven Fiscal Years

Water Revenue Bonds						
Fiscal Year	Gross Income and Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	\$ 1,804,093	\$ 1,088,017	\$ 716,076	\$ 115,000	\$ 373,114	1.47
2005	2,327,816	1,338,483	989,333	134,440	503,440	1.54
2006	2,188,482	1,313,937	874,545	140,000	553,358	1.26
2007	2,255,916	1,333,562	922,354	145,000	547,213	1.33
2008	2,225,392	1,280,646	944,746	156,000	540,691	1.36
2009	2,514,097	1,531,625	982,472	161,000	532,967	1.42
2010	2,370,463	1,269,644	1,100,819	172,000	526,020	1.58
2011	2,296,647	1,274,530	1,022,117	355,000	282,626	1.60
2012	2,509,812	1,197,900	1,311,912	250,000	384,735	2.07
2013	2,345,393	1,246,419	1,098,974	255,000	382,235	1.72
2014	2,290,494	1,286,924	1,003,570	255,000	378,735	1.58

Natural Gas Revenue Bonds						
Fiscal Year	Gross Income and Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	\$ 1,749,040	\$ 1,656,334	\$ 92,706	\$ -	\$ 1,414,075	0.07
2005	2,724,148	1,908,214	815,934	-	1,414,075	0.58
2006	4,264,151	2,920,251	1,343,900	-	1,414,075	0.95
2007	4,327,730	2,941,944	1,385,786	-	1,414,075	0.98
2008	4,650,665	3,010,223	1,640,442	-	1,414,075	1.16
2009	4,426,856	2,999,389	1,427,467	-	1,414,075	1.01
2010	4,728,040	2,622,739	2,105,301	-	1,414,075	1.49
2011	4,680,593	2,914,924	1,765,669	-	1,035,641	1.70
2012	4,570,796	2,164,607	2,406,189	25,000	1,417,565	1.67
2013	4,507,141	2,222,000	2,285,141	75,000	1,417,106	1.53
2014	4,589,502	2,385,745	2,203,757	205,000	1,414,761	1.36

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.
(c) The new CalPERS refunding loan did not require any pledged revenue. Loan is being reported in governmental debt service, but will be charged to all funds that incur payroll expenses based on a formula

Miller /Fletcher Assessment Bonds

Special (a) Assessment Collections			
	Debt Service		
	Principal	Interest	Coverage
72,163	50,000	98,750	0.49
572,406	55,000	94,744	3.82
417,794	55,000	90,481	2.87
228,473	60,000	86,025	1.56
112,407	65,000	81,181	0.77
138,964	70,000	75,950	0.95
236,383	75,000	70,331	1.63
146,991	80,000	64,325	1.02
124,871	90,000	57,738	0.85
106,282	95,000	55,069	0.71
129,324	105,000	42,819	0.87

City Hall Improvement Lease (b)

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

Schedule 13
 City of Susanville and County of Lassen
 Demographic and Economic Statistics
 Last Fifteen 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	\$1,095,555,000	\$32,550	11.90%
2013	9,496	6,482	15,978	33,422	n/a	n/a	12.40%
2014	9,143	6,689	15,832	32,581	n/a	n/a	8.90%

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)	2014		
	Employees	Rank	Percentage of Total City Employment (a)
High Desert State Prison	1250	1	25.67%
California Correctional Center	1000	2	20.53%
Lassen County	441	3	9.06%
Susanville Indian Rancheria	295	5	6.06%
Banner Lassen Medical Center	197	4	4.05%
Diamond Mountain Casino	179	7	3.68%
Wal-Mart	150	6	3.08%
Lassen Community College	267	8	5.48%
Susanville School District	101	9	2.07%
Countryvilla Riverview Rehab	101	12	2.07%
Safeway	80	10	1.64%
Lassen Union High School	85	11	1.75%
Northeastern Rural Health	81	13	1.66%
City of Susanville	62	14	1.27%
Susanville Supermarket	48	15	0.99%
	<u>4337</u>		<u>89.06%</u>

Source:
 Employment Development Department, Lassen County Chamber of Commerce

Notes:
 (a) Total Labor Force for the City is 4540.
 (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.

2005(b)

Employer	Employees	Rank	Percentage of Total City Employment (a)
----------	-----------	------	-----------------------------------------------

Information Unavailable

Schedule 15
 City of Susanville
 Full-time City Governmental Employees by Function/Program,
 Last Fifteen Fiscal Years

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

Source:
 City Finance Department

Notes:
 A full-time employee is scheduled to work 2,080 hours per year.

Fiscal Year

2007	2008	2009	2010	2011	2012	2013	2014
2.5	2.5	2.5	2.5	1.25	1.75	3.5	3.5
1.5	1.5	1.5	1.5	1	1	1.5	1.5
6	6	6	5	5	4.5	4	5
21	20	20	19	18	18	17	19
9	11	11	11	9	9	9	9
4	4	3	3	3.75	3.75	3	3
6	3	2	2	1	1	1	1
18	18	18	18	18	18	20	20
68	66	64	62	57	57	59	62

Schedule 16
City of Susanville
Operating Indicators by Function/Program,
Last Fourteen 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	0	0	0	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)	0	6.27	0	0	0	0.25	0
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	2014
281	332	262	260	342	264	317
1152	1145	716	574	884	915	843
565	483	532	609	712	663	487
338	256	248	159	122	114	74
1180	790	834	564	432	469	182
1390	1467	1552	1586	770	784	853
94	67	81	51	46	47	49
n/a	201	252	200	44	47	122
2.3	0	1	1.2	1.21	2.2	2.1
172	168	159	280	187	147	205
4	4	4	4	4	4	4
-12	22	0	0	0	0	2
2123	3173	1931	1833	1949	2121	2708
5308	5500	5500	3484	4258	3637	5230
73	84	71	63	90	134	174
539	472	553	579	548	565	876
1099	980	887	913	1116	1403	1795

Schedule 17
City of Susanville
Capital Asset Statistics by Function/Program
Last Fourteen 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)	0	0	0	0	0	0
Street lights	494	496	502	512	528	532
Traffic signals	0	0	0	0	0	0
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	0	0
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	2014
1	1	1	1	1	1	1	1
7	8	13	14	14	13	13	13
1	1	1	1	1	1	1	1
6	6	6	7	7	7	7	7
54	54	54	54	54	54	54	54
0	0	0	0	0	0	0	0
532	532	532	532	532	532	532	534
0	0	0	0	0	0	0	0
147	147	147	147	147	147	147	147
2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3
1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1
0	0	0	0	0	0	0	0
65	65	65	65	65	65	65	65
403	403	410	414	414	414	414	414
4000	4000	4000	4000	4000	4000	4000	4000
3709	3788	3797	3807	3800	3803	3803	3805
59	59	59	60	61	61	61	61
2281	2462	2546	2630	2694	2785	2901	3075

Schedule 18
 City of Susanville
 Water Department
 Water Sold by Type of Customer
 Last Eleven 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	2014
541.7	514.31	478.38	519.60	548.43	487.15
206.75	190.50	190.24	191.80	225.28	202.28
748.5	704.8	668.6	711.4	773.7	689.43
\$2,424,802	\$2,315,996	\$2,271,480	\$2,358,189	\$2,333,534	\$2,280,209
0.0032	0.0033	0.0034	0.0033	0.0030	0.0033

Schedule 19
 City of Susanville
 Water Department
 Water Rates
 Last Eleven 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
2014	\$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	2014		2005(b)	
	Water Charges (a)	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
Lassen County	\$67,821.06	2.97%	Information Unavailable	
Lassen High School District	\$38,965.54	1.71%		
Hidden Acres Mobile Home Park	\$23,542.32	1.03%		
Diamond View School	\$20,041.24	0.88%		
Susanville Indian Rancheria/Casino	\$19,688.00	0.86%		
Meadowview Elementary School	\$13,042.12	0.57%		
City of Susanville	\$12,924.37	0.57%		
Mountain View Mobile Home Park	\$10,060.23	0.44%		
Uptegrove, J.	\$9,436.29	0.41%		
Millview Apartments	\$9,113.85	0.40%		
	\$224,635.02	9.85%		

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 Eleven 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	2014
\$837,390	\$937,912	\$969,365	\$970,855	\$989,815	\$1,018,373
\$926,457	\$1,092,072	\$1,145,538	\$1,059,126	\$1,072,065	\$1,133,858
\$1,763,847	\$2,029,984	\$2,114,903	\$2,029,981	\$2,061,880	\$2,152,231
\$4,271,575	\$4,723,849	\$4,667,746	\$4,431,883	\$4,499,459	\$4,580,771
\$2.42	\$2.33	\$2.21	\$2.18	\$2.18	\$2.13

Schedule 22
 City of Susanville
 Gas Department
 Gas Rates
 Last Eleven Fiscal Years

<u>Fiscal Year Ended June 30</u>	<u>Monthly Base Rates</u>	<u>Rate per Therm</u>	
2004	\$6.00	\$1.42	
2005	\$7.00	\$1.65	
2006	\$7.00	\$2.44	
2007	\$7.00	\$2.21	(A)(B)
2008	\$7.00	\$2.21	(A)(B)(C)
2009	\$7.00	\$2.30	(A)(B)(C)
2010	\$7.00	\$2.20	(A)(B)(C)
2011	\$7.00	\$2.20	(A)(B)(C)
2012	\$7.00	\$2.20	(A)(B)(C)
2013	\$7.00	\$2.20	(A)(B))©
2014	\$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.

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

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

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

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

1 Therm=100,000 BTUs

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

Gas Customer	2014		2005 (b)	
	Gas Charges (a)	Percent of Total Gas Revenues	Gas Charges	Percent of Total Gas Revenues
Lassen Community College	\$262,817	5.74%	Information Unavailable	
Banner Lassen Hospital	\$244,923	5.35%		
Lassen County	\$191,955	4.19%		
Diamond Mountain Casino	\$92,860	2.03%		
Safeway	\$71,560	1.56%		
Lassen High School/Credence	\$60,278	1.32%		
Susanville Garden Apartments	\$47,161	1.03%		
McKinley School	\$44,754	0.98%		
Northeastern Rural Health	\$43,462	0.95%		
Meadowview Elementary	\$36,338	0.79%		
	\$1,096,109	23.93%		

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.