

COUNTY OF COLUSA, CALIFORNIA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2019



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INTRODUCTORY SECTION

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**COUNTY OF COLUSA, CALIFORNIA
COUNTY OFFICIALS
YEAR ENDED JUNE 30, 2019**

ELECTED OFFICIALS

Supervisor, District 1.....	J. Merced Corona
Supervisor, District 2.....	John D. Loudon
Supervisor, District 3.....	Kent S. Boes
Supervisor, District 4.....	Gary J. Evans
Supervisor, District 5.....	Denise J. Carter
Assessor.....	Arnold Gross Jr.
Auditor/Controller.....	Peggy Scroggins
Clerk/Recorder.....	Rose Gallo-Vasquez
District Attorney	Matthew Beauchamp
Sheriff/Coroner	Joe Garofalo
Treasurer/Tax Collector	Daniel Charter

DEPARTMENT DIRECTORS/ADMINISTRATORS

County Administrative Officer.....	Wendy G. Tyler
Agricultural Commissioner	Greg Hinton
Chief Probation Officer.....	William Fenton
Child Support Services Director	John Contreras
County Counsel	Marcos Kropf
County Librarian	Stacey Costello
Behavioral Health Director	Terence Rooney
Cooperative Extension Director	Luis Espino
Health and Human Services Director	Elizabeth Kelly
Human Resources Director.....	Patricia Leland
Planning and Building Director.	Greg Plucker
Public Works Director	Scott Lanphier
Transit Manager	Thomas Simms

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
County of Colusa
Colusa, 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 County of Colusa (County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the entity'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.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, pension and OPEB schedules and budgetary comparison information, 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 County's basic financial statements. The introductory section and the combining fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Board of Supervisors
County of Colusa, California

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2020 on our consideration of the County'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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 County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California
March 23, 2020

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**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

As management of the County of Colusa, California (County) we offer readers of the County's Financial Statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information in our Financial Statements.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Analysis

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of the 2018-19 fiscal year by \$30,111,000 (net position).

- \$59,123,746 was invested in capital assets, net of accumulated depreciation, related outstanding debt, and related deferred inflows of resources, an increase of .37%.
- \$32,168,928 was restricted for specific purposes (restricted net position), a decrease of 2.52%.
- \$(61,181,674) was available to meet ongoing obligations to citizens and creditors (unrestricted net position), an increase of 1.83%.

The County's total net position decreased from \$31,826,500 to \$30,111,000, a decrease of \$1,715,500 at the close of the 2018-19 fiscal year.

- The governmental activities net position decreased by \$1,679,848 (4.77%) to a total of \$33,526,076.
- The business-type activities net position decreased by \$35,652 (1.05%) increasing the deficit to \$(3,415,076).

Financial Analysis of County Funds

The County's governmental funds reported combined ending fund balances of \$34,768,479, a decrease of \$1,075,436 in comparison with the prior year.

- \$149,341 of the combined fund balance, .43%, is not in a spendable form or is legally or contractually required to be maintained intact (nonspendable fund balance)
- \$25,699,167 of the combined fund balance, 73.92%, can only be spent for specific purposes, stipulated by law or externally imposed requirements (restricted fund balance)
- \$8,919,971 of the combined fund balance, 25.66%, is available to meet the County's current and future needs (unrestricted fund balance, which includes committed, assigned, and unassigned fund balances).

The County's available (committed, assigned, and unassigned) fund balance for the General fund was \$7,562,365 at June 30, 2019.

- This is an increase of \$530,771, or 7.55%, over the prior year's available fund balance.
- This available fund balance also equates to 29.72% of the total General fund expenditures for the year.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

The County's nonspendable and restricted fund balance for the General fund was \$40,132 and \$2,556,768, respectively.

Capital Assets and Long-Term Debt

The County's total investment in capital assets increased by \$174,551, to a total of \$59,305,409, net of depreciation.

The County's long-term debt decreased by \$113,088 in comparison with the prior year. Starting in 2015-16, the net pension liability and net OPEB obligation are shown individually from long-term debt. The net pension liability increased \$2,086,157 to a total of \$72,939,341, and the net OPEB liability, under GASB 75, is currently \$2,944,840.

DESCRIPTION OF THE BASIC FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the County's Basic Financial Statements. The County's Basic Financial Statements include three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

Required Supplementary Information is included in addition to the Basic Financial Statements.

Government-Wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the County's Assets, Deferred Outflows, Liabilities, and Deferred Inflows, with the difference reported as Net Position. Over time, increases or decreases in Net Position are a useful indicator of an improving or deteriorating County financial position.

The Statement of Activities presents the most recent fiscal year changes in the County's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The statement reports items resulting in cash flows in the future fiscal periods (e.g., uncollected taxes, long-term loans, and earned but unused vacation leave) as revenues and expenses in this statement.

The Government-Wide Financial Statements distinguish functions of the County principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities grouped by function of the County include General Government, Public Protection, Public Ways and Facilities, Health and Sanitation, Public Assistance, Education, Recreation and Cultural Services, and Interest on Long-Term Debt. The business-type activities of the County include the Solid Waste Enterprise, the Airport Enterprise, and the East Park Reservoir Enterprise.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Component units are included in the financial statements and are legally separate entities for which the County is financially accountable. These have substantially the same governing board as the County. The component units are blended special revenue funds and include Almond Paradise Street Lighting District, Thompson Street Lighting District, Cross Creek/Whisper Creek Lighting District, Colusa County Service Area #1 – Century Ranch, Colusa County Service Area #2 – Stonyford, Colusa County Service Area #2 (Reserve) – Stonyford, and Colusa County Flood Control and Water Conservation District.

Fund Financial Statements are groupings of related accounts used to maintain control over resources segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's funds are divided into three categories:

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

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

Since the focus of governmental funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances both provide a reconciliation to the Government-Wide Financial Statements in order to facilitate this comparison between governmental funds and governmental activities.

The County maintains governmental funds organized according to their type – general, special revenue, debt service, and capital projects. The County segregates from the General fund a number of significant functions in major funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General fund and other major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements located in the Combining Nonmajor Fund Statements section of this report.

Proprietary Funds are maintained in two different types. Enterprise Funds report the same functions presented as business-type activities in the Government-Wide Financial Statements. The County uses enterprise funds to account for the Airport, Solid Waste, and East Park Reservoir. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for the Insurance fund, which provides for the payment of claims for its various insurance programs to protect county assets and employees. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the Government-Wide Financial Statements.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Proprietary funds provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Proprietary Fund Financial Statements provide separate information for the Solid Waste Enterprise fund, the Airport Enterprise fund, and the East Park Reservoir Enterprise fund. The Solid Waste Enterprise is considered to be a major fund. The internal service fund is singled out in the Proprietary Fund Financial Statements.

Fiduciary Funds account for resources held for the benefit of parties outside the County; entities legally separate from the County and individuals, which are not part of the reporting entity. Fiduciary funds are not reflected in the Government-Wide Financial Statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Required Supplementary Information presents the County's major governmental funds budgets and actual comparisons. The major governmental funds include the County General Fund, Health and Human Services, Loan Programs, Public Ways and Facilities, Health and Sanitation, and Public Assistance. The County adopts an annual appropriated budget for these major funds, as well as all other governmental and proprietary funds. Budgetary Comparison Schedules have been provided for the General fund and major special revenue funds to demonstrate performance against these budgets. Required supplementary information also consists of funding progress schedules for the County Defined Benefit Pension Plan and Other Post Employment Benefit Plan (OPEB).

Combining Nonmajor Fund Statements referred to earlier provide information for nonmajor governmental funds, nonmajor enterprise funds, and fiduciary funds and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Statement of Net Position
June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total		Variance
	2019	2018	2019	2018	2019	2018	
ASSETS							
Current and Other Assets	\$ 45,589,102	\$ 45,624,680	\$ 1,116,329	\$ 1,066,310	\$ 46,705,431	\$ 46,690,990	0.03%
Capital Assets	59,236,029	59,053,769	69,380	77,089	59,305,409	59,130,858	0.30%
Total Assets	<u>104,825,131</u>	<u>104,678,449</u>	<u>1,185,709</u>	<u>1,143,399</u>	<u>106,010,840</u>	<u>105,821,848</u>	0.18%
DEFERRED OUTFLOWS OF RESOURCES	12,875,354	15,167,322	33,789	35,838	12,909,143	15,203,160	-15.09%
LIABILITIES							
Current and Other Liabilities	3,890,816	4,572,214	233,346	212,989	4,124,162	4,785,203	-13.81%
Net Pension Liability	72,721,899	70,664,012	217,442	189,172	72,939,341	70,853,184	2.94%
Net OPEB Obligation	2,921,238	5,094,127	23,602	45,619	2,944,840	5,139,746	-42.70%
Other Long-Term Liabilities	1,401,774	1,440,020	4,141,274	4,089,345	5,543,048	5,529,365	0.25%
Total Liabilities	<u>80,935,727</u>	<u>81,770,373</u>	<u>4,615,664</u>	<u>4,537,125</u>	<u>85,551,391</u>	<u>86,307,498</u>	-0.88%
DEFERRED INFLOWS OF RESOURCES	3,238,682	2,869,474	18,910	21,536	3,257,592	2,891,010	12.68%
NET POSITION							
Net Investment in Capital Assets	59,054,366	58,831,048	69,380	77,089	59,123,746	58,908,137	0.37%
Restricted	31,468,948	32,387,246	699,980	614,207	32,168,928	33,001,453	-2.52%
Unrestricted	(56,997,238)	(56,012,370)	(4,184,436)	(4,070,720)	(61,181,674)	(60,083,090)	1.83%
Total Net Position	<u>\$ 33,526,076</u>	<u>\$ 35,205,924</u>	<u>\$ (3,415,076)</u>	<u>\$ (3,379,424)</u>	<u>\$ 30,111,000</u>	<u>\$ 31,826,500</u>	-5.39%

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Analysis of Government-Wide Net Position

As noted earlier, net position may over time serve as a useful indicator of the County's financial position. On June 30, 2019, the County's assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows by \$30,111,000, a 5.39% decrease compared to prior year.

As shown in the schedule above, at June 30, 2019 the County's total assets are \$106,010,840. The total assets held increased by \$188,992 or .18% from the June 30, 2018 balance of \$105,821,848. The majority of the deferred outflows represent approximately 49% for pension contributions made by the County during fiscal year 2018-19 subsequent to the pension liability measurement date; 31% for changes of assumptions; and 15% for the differences between expected and actual experience.

The County's total liabilities decreased by \$756,107 during the current fiscal year to \$85,551,391. Deferred inflows of \$3,257,592 are attributable to two factors. Approximately 37% and 63% represent the various components that impact pension and OPEB changes, respectively, such as adjustments due to differences in proportions, differences between County contributions and proportionate share of contributions, changes in actuarial assumptions and differences between actual and expected experience.

The County's total net position decreased from the prior year by \$1,715,500. The unrestricted net position of the County at June 30, 2019 decreased by \$1,098,584 from \$(60,083,090) at June 30, 2018 to \$(61,181,674). A positive unrestricted net position is considered one source that may be used to meet the County's ongoing obligations to citizens and creditors.

The largest positive portion of the County's net position, \$59,123,746, is its investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure – roads, bridges), which is shown less any related outstanding debt used to acquire those assets. The investment in capital assets increased \$215,609 from the prior year's amount of \$58,908,137. The County uses these capital assets to provide services to citizens. These assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate those liabilities.

Restricted net position of \$32,168,928 represents resources that are subject to external restrictions on how they may be used. The restricted net position decreased \$832,525 from the prior year's amount of \$33,001,453.

Within the governmental activities, unrestricted net position decreased by \$984,868 from the prior year's amount of \$(56,012,370). The business-type activities unrestricted net position decreased by \$113,716 from the prior year's amount of \$(4,070,720).

It is important to note that pension accounting and reporting, as required by Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 71, were implemented for the first time in the June 30, 2015 audit. The reporting change requires government entities to recognize the unfunded portion of pension liabilities in the financial statements. These two GASB statements have a significant impact on the County's total net position for all future years. Additional information on the County's Employee's Retirement Plan can be found in Note 12 of this report. Additionally, GASB Statement No. 75, was implemented during the year ended June 30, 2018. The reporting change requires government entities to recognize the unfunded portion of OPEB liabilities in the financial statements. Additional information on the County's OPEB Plan can be found in Note 13 of this report.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The Statement of Activities table shows the revenue, expenses, and changes in net position for governmental and business-type activities.

**Statement of Activities
June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total		Variance
	2019	2018	2019	2018	2019	2018	
REVENUES							
Program Revenues							
Charges for Services	\$ 4,658,706	\$ 4,795,285	\$ 2,396,631	\$ 2,303,767	\$ 7,055,337	\$ 7,099,052	-0.62%
Operating Grants and Contributions	33,711,926	30,615,241	1,500	-	33,713,426	30,615,241	10.12%
Capital Grants and Contributions	1,558,303	697,317	-	-	1,558,303	697,317	123.47%
General Revenues							
Property Taxes	17,453,172	17,299,195	-	-	17,453,172	17,299,195	0.89%
Other Taxes	2,612,714	2,139,972	82,096	55,839	2,694,810	2,195,811	22.73%
Tobacco Settlement	264,312	369,105	-	-	264,312	369,105	-28.39%
Interest and Investment Earnings	1,763,342	550,444	33,932	55,723	1,797,274	606,167	196.50%
Miscellaneous	484,209	490,799	621,098	572,169	1,105,307	1,062,968	3.98%
Total Revenues	<u>62,506,684</u>	<u>56,957,358</u>	<u>3,135,257</u>	<u>2,987,498</u>	<u>65,641,941</u>	<u>59,944,856</u>	9.50%
EXPENSES							
General Government	6,231,073	5,583,654	-	-	6,231,073	5,583,654	11.59%
Public Protection	23,523,057	18,627,935	-	-	23,523,057	18,627,935	26.28%
Public Ways and Facilities	6,268,316	6,596,448	-	-	6,268,316	6,596,448	-4.97%
Health and Sanitation	12,011,278	9,080,368	-	-	12,011,278	9,080,368	32.28%
Public Assistance	10,070,085	8,788,537	-	-	10,070,085	8,788,537	14.58%
Education	1,374,357	1,209,970	-	-	1,374,357	1,209,970	13.59%
Recreation and Culture	2,768	37,515	-	-	2,768	37,515	-92.62%
Interest on Long-Term Debt	5,598	24,369	-	-	5,598	24,369	-77.03%
Solid Waste	-	-	2,360,746	2,295,589	2,360,746	2,295,589	2.84%
Airport	-	-	600,796	555,672	600,796	555,672	8.12%
East Park Reservoir	-	-	309,367	324,698	309,367	324,698	-4.72%
Total Expenses	<u>59,486,532</u>	<u>49,948,796</u>	<u>3,270,909</u>	<u>3,175,959</u>	<u>62,757,441</u>	<u>53,124,755</u>	18.13%
CHANGE IN NET POSITION BEFORE TRANSFERS	3,020,152	7,008,562	(135,652)	(188,461)	2,884,500	6,820,101	-57.71%
Transfers	(100,000)	(6,457)	100,000	6,457	-	-	
CHANGE IN NET POSITION BEFORE SPECIAL ITEM	2,920,152	7,002,105	(35,652)	(182,004)	2,884,500	6,820,101	
Special Item	(4,600,000)	(10,486,094)	-	-	(4,600,000)	(10,486,094)	
CHANGE IN NET POSITION	(1,679,848)	(3,483,989)	(35,652)	(182,004)	(1,715,500)	(3,665,993)	-53.21%
Net Position - Beginning of Year	35,205,924	45,484,594	(3,379,424)	(3,069,594)	31,826,500	42,415,000	-24.96%
Restatement	-	(6,794,681)	-	(127,826)	-	(6,922,507)	
NET POSITION - END OF YEAR	<u>\$ 33,526,076</u>	<u>\$ 35,205,924</u>	<u>\$ (3,415,076)</u>	<u>\$ (3,379,424)</u>	<u>\$ 30,111,000</u>	<u>\$ 31,826,500</u>	-5.39%

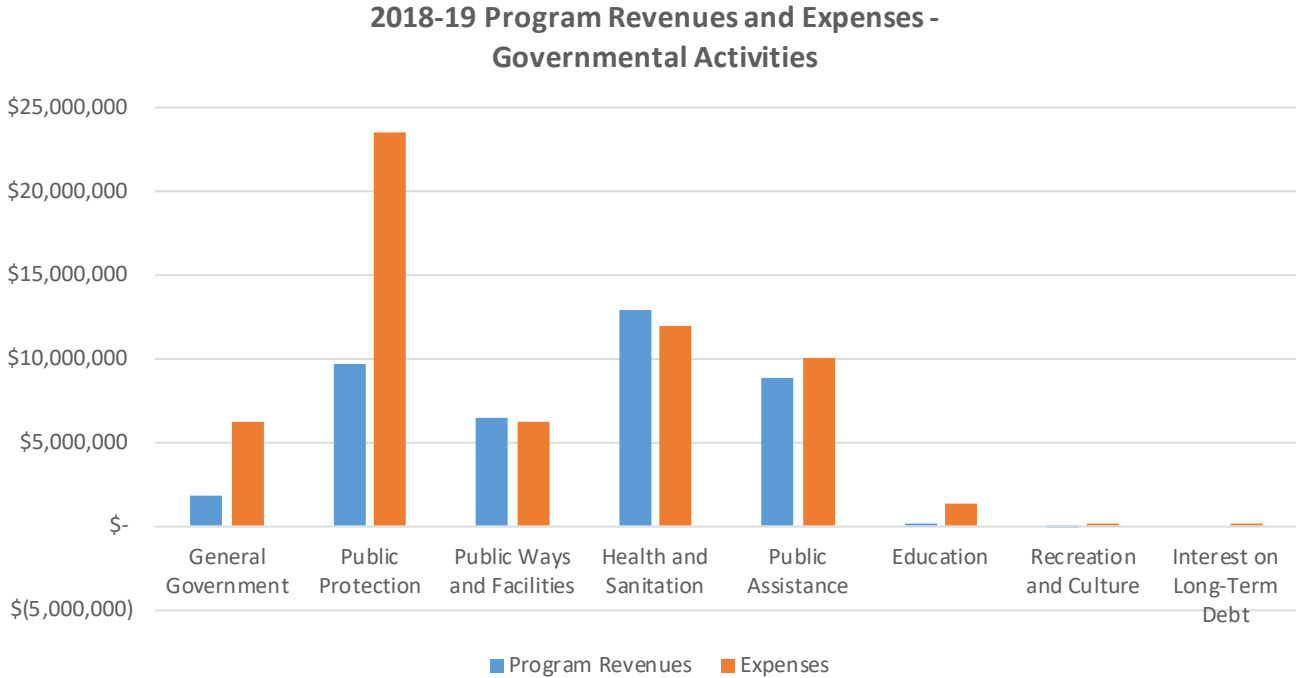
Analysis of the Changes in Government-Wide Net Position

The County's net position decreased \$1,715,500 from the prior year. The changes are explained below in the governmental activities and business-type activities discussions.

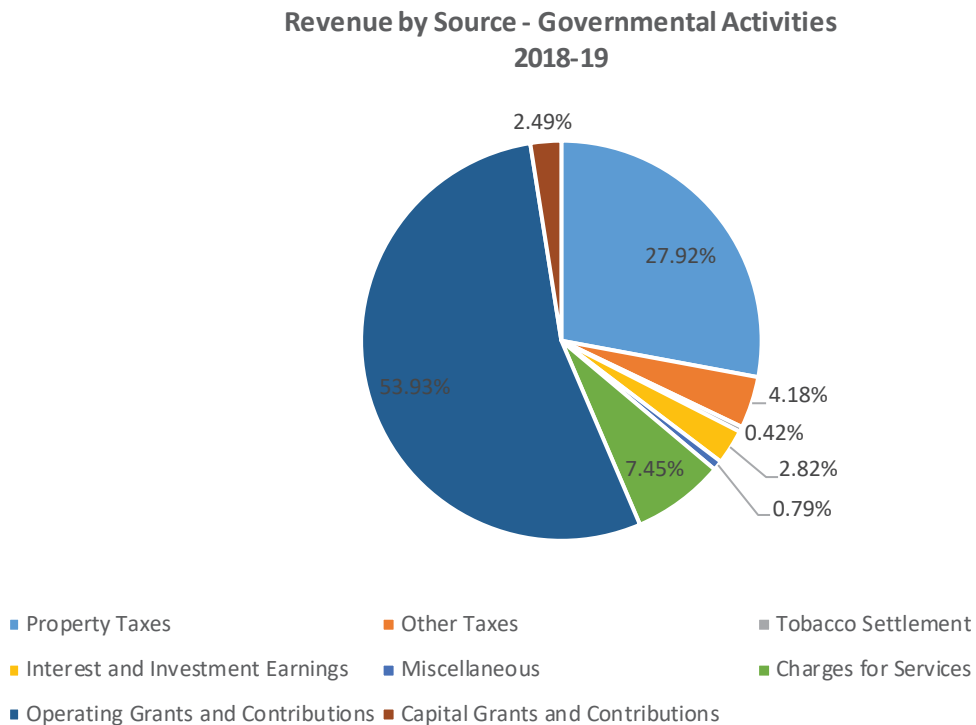
Governmental Activities decreased the County's net position by \$1,679,848, accounting for 97.92% of the total reduction government-wide. Total governmental revenues consist of general revenues and program revenues. General revenues and transfers totaled \$22,477,749, an increase of 7.84% compared to the prior year. Program revenues totaled \$39,928,935, an increase of 10.58% compared to the prior year.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The following chart presents a comparison of expenses by function and the associated program revenues for Governmental activities:



Revenues among Governmental activities totaled \$62,506,684 for the 2018-19 fiscal year. The chart below presents the percentage of total revenues by source for Governmental activities:



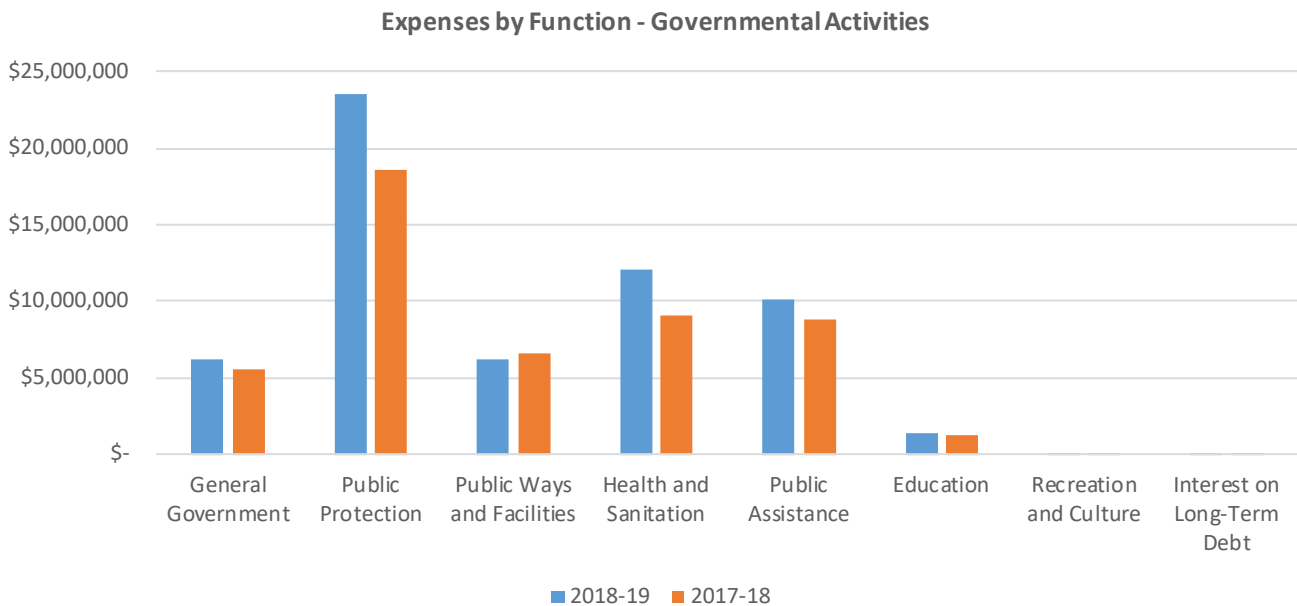
**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Key elements of the increase/decrease in revenues in the Governmental activities:

- Charges for Services decreased \$136,579, or 2.85%.
- Operating Grants and Contributions increased \$3,096,685, or 10.11%.
- Capital Grants and Contributions increased \$860,986, or 123.47%.
- Property Tax revenues increased \$153,977, or .89%.
- Other Tax revenue category increased \$472,742, or 22.09%.
- Tobacco Settlement revenue category decreased \$104,793 or 28.39%.
- Interest and Investment Earnings increased \$1,212,898, or 220.35%.
- Miscellaneous Revenue decreased \$6,590, or 1.34%.

Expenses among Governmental activities for the 2018-19 fiscal year totaled \$59,486,532, in comparison to the 2017-18 fiscal year, which totaled \$49,948,796, an overall increase in expenses of 19.10%.

The chart below presents the two-year comparison of the total expenses by function for Governmental activities:



**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Key elements of the increase/decrease in expenses in the Governmental activities:

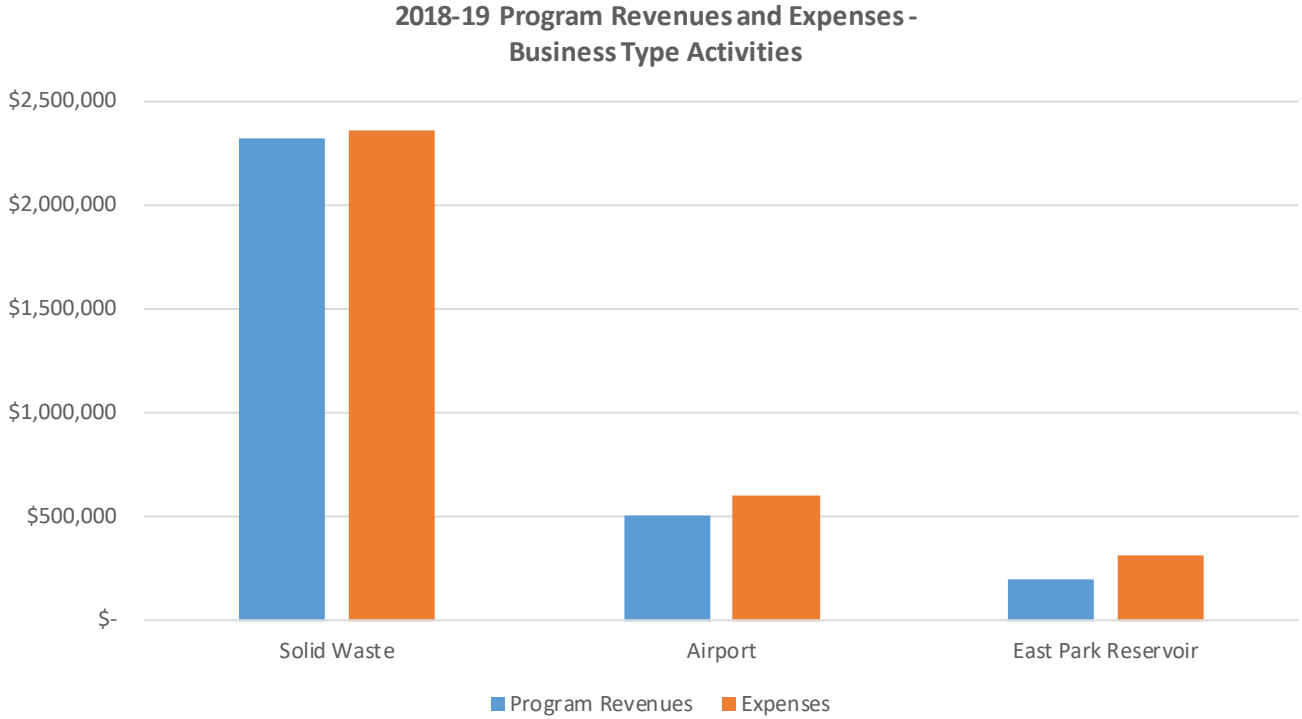
- The General Government category increased by \$647,419, or 11.59%.
- The Public Protection category increased by \$4,895,122, or 26.28%.
- The Public Ways and Facilities category decreased \$328,132, or 4.97%.
- The Health and Sanitation category increased by \$2,930,910, or 32.28%.
- The Public Assistance category increased by \$1,281,548, or 14.58%.
- The Education category increased by \$164,387, or 13.59%.
- The Recreation and Culture category decreased by \$34,747, or 92.62%.
- The Interest on Long-Term Debt category decreased by \$18,771, or 77.03%. As annual principal payments are made the associated interest expense is decreasing.

Business-Type Activities decreased the County's net position by \$35,652. Total business-type activities revenues consist of general revenues and program revenues. General revenues and transfers totaled \$837,126; program revenues totaled \$2,398,131.

Combined, program revenues and general revenues were insufficient to cover program expenses in all three enterprise funds for the 2018-19 fiscal year. The Solid Waste's net position decreased by \$15,262, to a negative net position of \$(3,406,555). The Airport's net position decreased by \$8,131, to a net position of \$208,976. The East Park Reservoir's net position decreased \$12,259, to a negative net position of \$(217,497) at June 30, 2019. However, if the County General fund had not contributed \$100,000 in 2018-19 to the Enterprise fund, the negative net position would have been \$(317,497). The East Park Reservoir is in its initial development stage and the County has committed to a specific amount of contributions to get the Enterprise fund operational and productive.

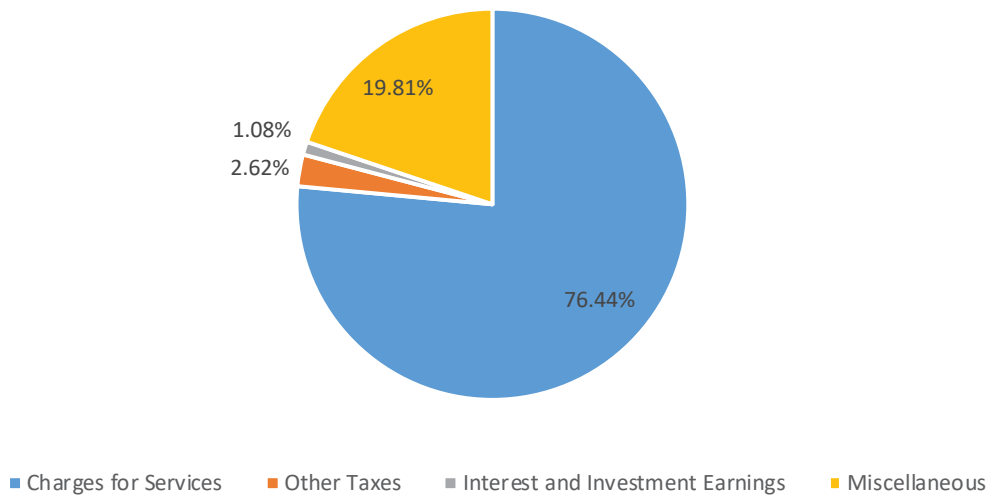
**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The following chart presents a comparison of expenses by function and the associated program revenues for the Business-type activities:



Revenues among Business-type activities totaled \$3,135,257 for the 2018-19 fiscal year. The chart below presents the percentage of total revenues by source for Business-type activities:

**Revenue by Source - Business-Type Activities
2018-19**



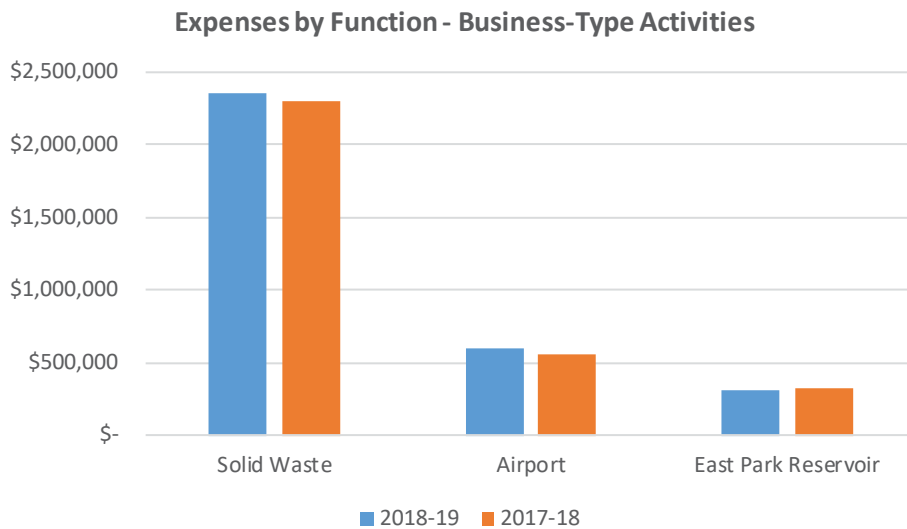
**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Key elements of the increase/decrease in revenues in the Business-type activities:

- Charges for Services increased \$92,864, or 4.03%.
- Operating Grants and Contributions revenue category increased \$1,500, or 100%.
- Other Taxes revenue category increased \$26,257, or 47.02%.
- Interest and Investment Earnings decreased \$21,791, or 39.11%.
- Miscellaneous Revenue increased \$48,929, or 8.55%.

Expenses among Business-type activities for the 2018-19 fiscal year totaled \$3,270,909, in comparison to the year ended 2017-18, which totaled \$3,175,959.

The chart below presents the two-year comparison of the total expenses by function for Business-type activities:



Key elements of the increase/decrease in expenses in the Business-type activities:

- The Solid Waste category increased by \$65,157, or 2.84%.
- The Airport category increased by \$45,124, or 8.12%.
- The East Park Reservoir decreased by \$15,331, or 4.72%.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Government Funds

The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Project funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted (committed, assigned, and unassigned) fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

**Net Change in Fund Balance
Governmental Funds - Combined
June 30, 2019 and 2018**

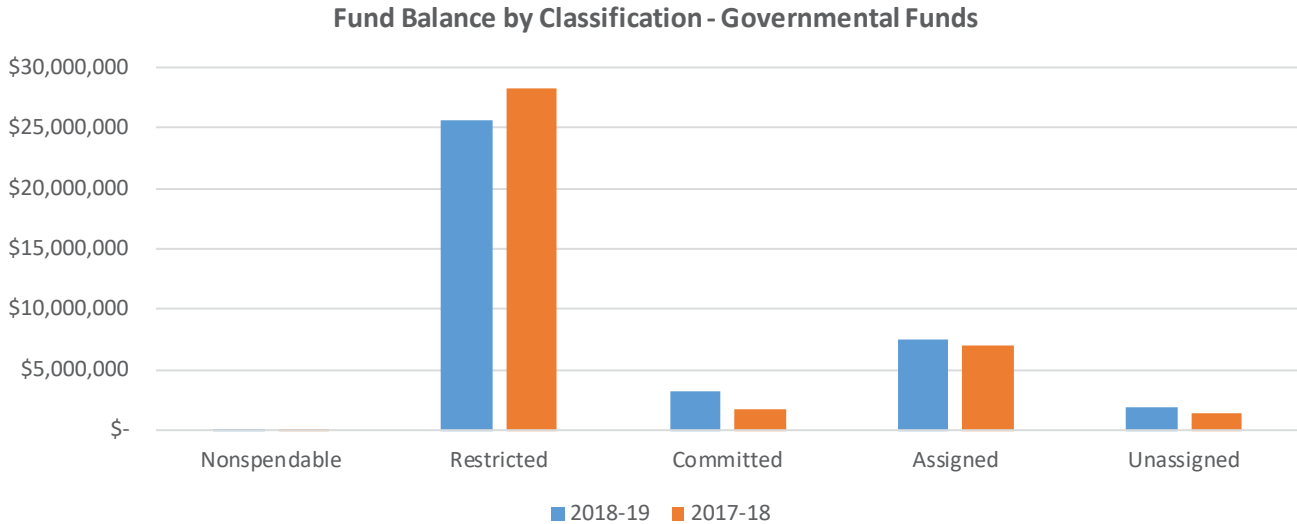
	2019	2018	Increase/Decrease	
			Total	Variance
FUND BALANCE - BEGINNING OF YEAR	\$ 35,843,915	\$ 40,384,562	\$ (4,540,647)	-11.24%
Prior Period Adjustment	-	5,534,193	(5,534,193)	
Revenues	60,855,760	55,912,944	4,942,816	8.84%
Expenditures	(57,235,346)	(55,464,365)	(1,770,981)	3.19%
Other Financing Sources (Uses)	(100,000)	(6,457)	(93,543)	1448.71%
Change in Inventory	4,150	(30,868)	35,018	-113.44%
Special Item	(4,600,000)	(10,486,094)	5,886,094	
FUND BALANCE - END OF YEAR	<u>\$ 34,768,479</u>	<u>\$ 35,843,915</u>	<u>\$ (1,075,436)</u>	-3.00%

	2019		2018		Increase/Decrease	
	Amount	Percent	Amount	Percent	Amount	Variance
		of Total		of Total		
FUND BALANCE DETAIL						
Nonspendable	\$ 149,341	0.43%	\$ 153,052	0.43%	\$ (3,711)	-2.42%
Restricted	25,699,167	73.92%	28,211,348	78.71%	(2,512,181)	-8.90%
Committed	3,240,161	9.32%	1,799,500	5.02%	1,440,661	80.06%
Assigned	7,562,365	21.75%	7,031,594	19.62%	530,771	7.55%
Unassigned	(1,882,555)	-5.41%	(1,351,579)	-3.78%	(530,976)	39.29%
Total Fund Balance	<u>\$ 34,768,479</u>	<u>100.01%</u>	<u>\$ 35,843,915</u>	<u>100.00%</u>	<u>\$ (1,075,436)</u>	-3.00%

At June 30, 2019, the County's governmental funds reported combined fund balances of \$34,768,479, a decrease of \$1,075,436, or 3%, in comparison with the prior year. Approximately 25.66% of this total amount, or \$8,919,971, constitutes unrestricted fund balance of the General, Special Revenue, and Capital Projects funds, which is available to meet the County's current and future needs. The remainder of the fund balance, \$25,848,508, or 74.34%, is either nonspendable or restricted for specific spending.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The chart below presents the two-year comparison of the Fund Balance by Classification for Governmental Funds.



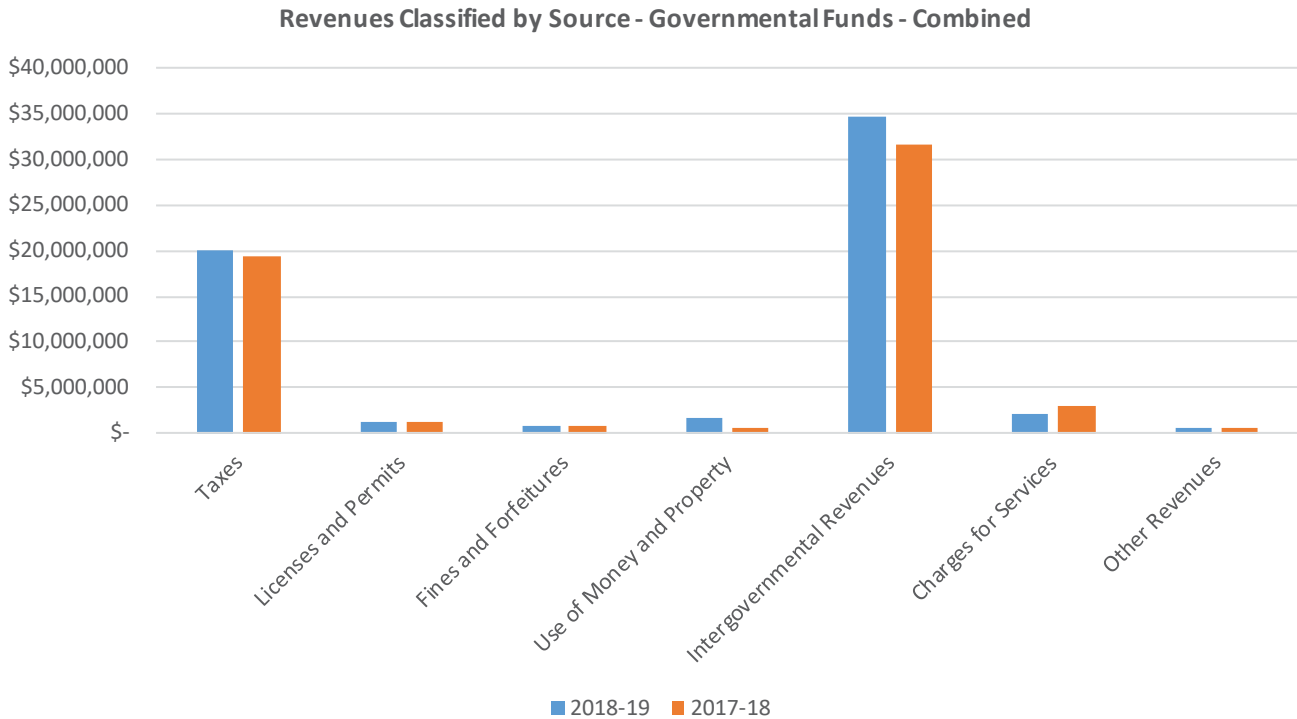
The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year for the governmental funds.

**Revenues Classified by Source
Governmental Funds - Combined
June 30, 2019 and 2018**

	2019		2018		Increase/Decrease	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Variance
REVENUE BY SOURCE						
Taxes	\$ 20,065,886	32.97%	\$ 19,439,167	34.77%	\$ 626,719	3.22%
Licenses and Permits	1,165,484	1.92%	1,247,481	2.23%	(81,997)	-6.57%
Fines and Forfeitures	808,391	1.33%	730,079	1.31%	78,312	10.73%
Use of Money and Property	1,686,137	2.77%	541,299	0.97%	1,144,838	211.50%
Intergovernmental Revenues	34,597,000	56.84%	31,681,766	56.66%	2,915,234	9.20%
Charges for Services	2,048,653	3.37%	1,709,134	3.06%	339,519	19.86%
Other Revenues	484,209	0.80%	564,018	1.00%	(79,809)	-14.15%
Total Revenue	\$ 60,855,760	100.00%	\$ 55,912,944	100.00%	\$ 4,942,816	8.84%

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The chart below presents the two-year comparison of the total revenues by source for governmental funds:



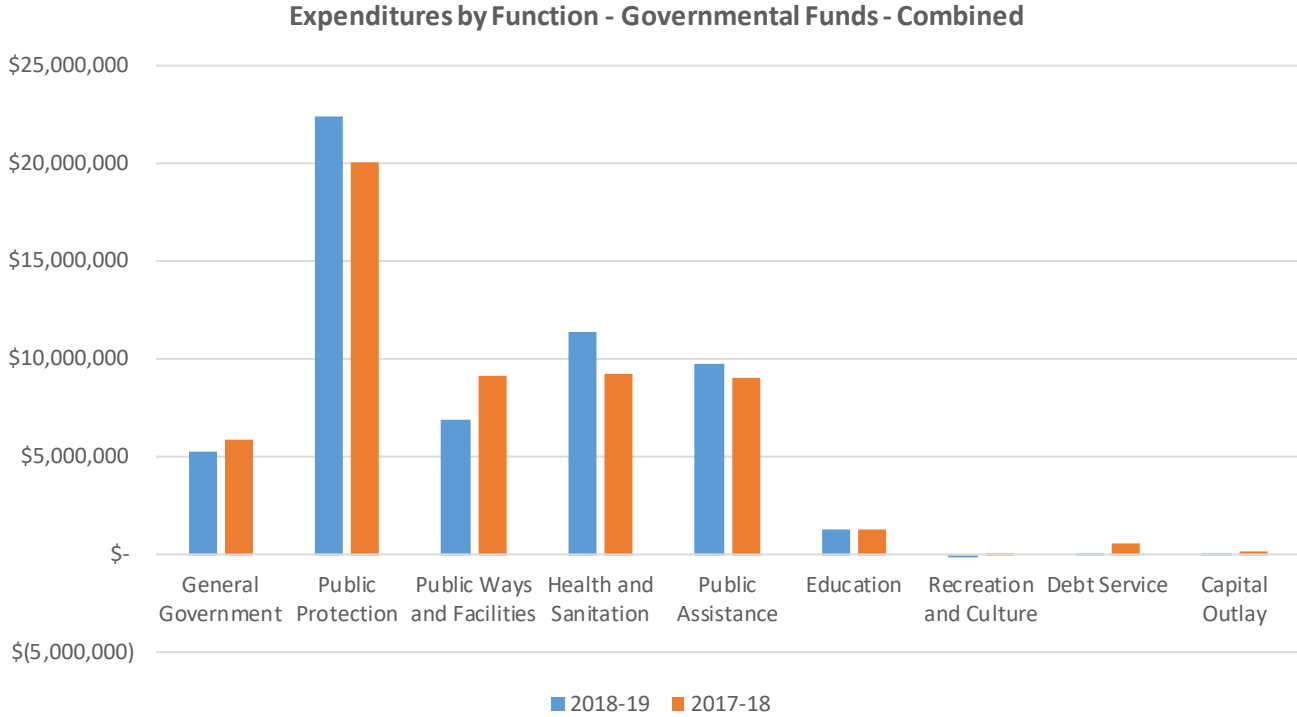
The following table presents the amount of expenditures by function as well as increases or decreases from the prior year for the governmental funds.

**Expenditures Classified by Function
Governmental Funds - Combined
June 30, 2019 and 2018**

	2019		2018		Increase/Decrease	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Variance
EXPENDITURES BY FUNCTION						
General Government	\$ 5,316,239	9.29%	\$ 5,891,053	10.62%	\$ (574,814)	-9.76%
Public Protection	22,417,209	39.17%	20,079,149	36.18%	2,338,060	11.64%
Public Ways and Facilities	6,861,703	11.99%	9,112,162	16.42%	(2,250,459)	-24.70%
Health and Sanitation	11,426,579	19.97%	9,274,957	16.71%	2,151,622	23.20%
Public Assistance	9,760,526	17.05%	9,049,940	16.31%	710,586	7.85%
Education	1,320,118	2.31%	1,286,906	2.32%	33,212	2.58%
Recreation and Culture	(10,608)	-0.01%	37,515	0.07%	(48,123)	-128.28%
Debt Service	46,656	0.08%	623,531	1.12%	(576,875)	-92.52%
Capital Outlay	92,774	0.16%	140,020	0.25%	(47,246)	-33.74%
Total Expenditures	\$ 57,231,196	100.01%	\$ 55,495,233	100.00%	\$ 1,735,963	3.13%

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The chart below presents the two-year comparison of the total expenses by function for governmental funds:



Other financing sources and uses for the governmental funds are presented below to illustrate changes from the prior year.

**Other Financing Sources (Uses)
Governmental Funds - Combined
June 30, 2019 and 2018**

	2019		2018		Increase/Decrease	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Variance
Transfers In	\$ 12,944,503	-12944.50%	\$ 14,943,856	-231436.52%	\$ (1,999,353)	-13.38%
Transfers Out	(13,044,503)	13044.50%	(14,950,313)	231536.52%	1,905,810	-12.75%
Total Other Financing Sources (Uses)	\$ (100,000)	100.00%	\$ (6,457)	100.00%	\$ (93,543)	1448.71%

The General Fund

The General fund is the primary operating fund of the County. At June 30, 2019, the assigned portion of the fund balance was \$7,562,365, an increase of \$530,771 (7.55%) in comparison to the prior year balance; while the total fund balance was \$10,159,265, an increase of \$794,618 (8.49%) in comparison to the prior fiscal year balance.

As a measure of the General fund's liquidity, it may be useful to compare available fund balance and total fund balance to total General fund expenditures. The unrestricted fund balance represents 29.7% of total General fund expenditures, while total fund balance represents 39.9% of the total General fund expenditures. For the prior year, these figures were 27.5% and 36.6%, respectively.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

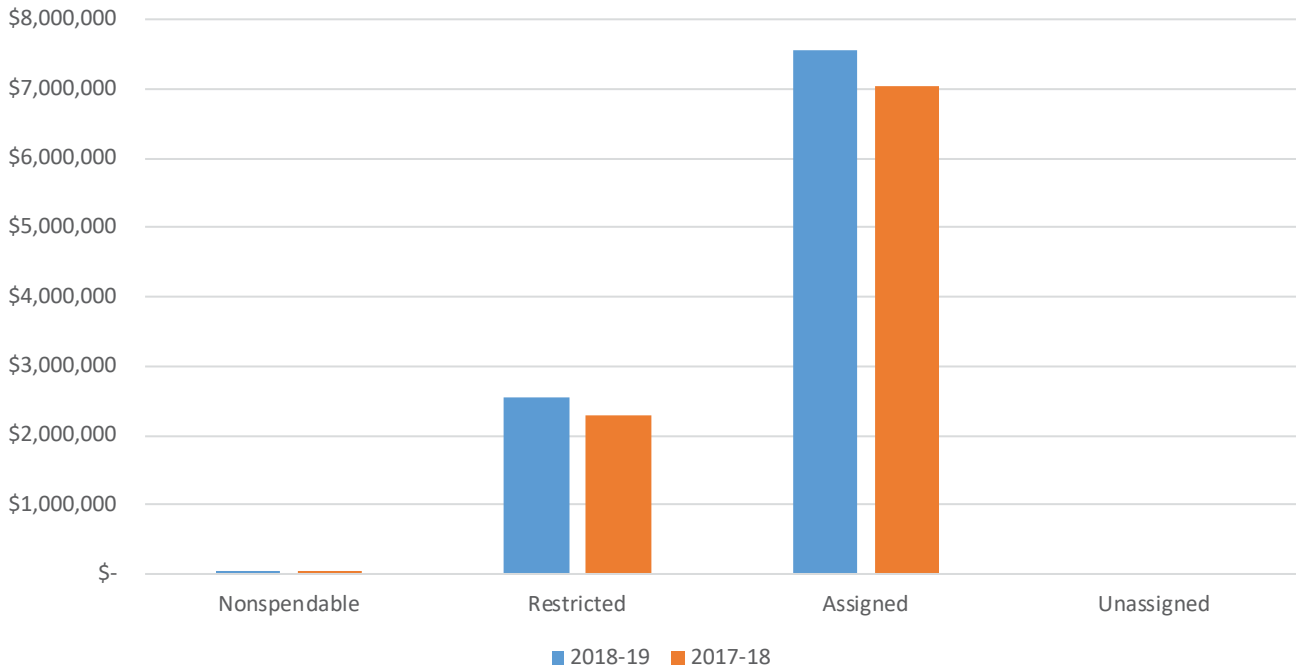
**Net Change in Fund Balance
General Fund
June 30, 2019 and 2018**

	2019	2018	Increase/Decrease	
			Total	Variance
FUND BALANCE - BEGINNING OF YEAR	\$ 9,364,647	\$ 18,794,253	\$ (9,429,606)	-50.17%
Revenues	26,783,636	25,716,440	1,067,196	4.15%
Expenditures	(25,444,766)	(25,578,549)	133,783	-0.52%
Other Financing Sources (Uses)	(544,252)	918,597	(1,462,849)	-159.25%
Special Item	-	(10,486,094)	10,486,094	
FUND BALANCE - END OF YEAR	\$ 10,159,265	\$ 9,364,647	\$ 794,618	8.49%

	2019		2018		Increase/Decrease	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Variance
	FUND BALANCE DETAIL					
Nonspendable	\$ 40,132	0.40%	\$ 39,093	0.42%	\$ 1,039	2.66%
Restricted	2,556,768	25.17%	2,293,960	24.50%	262,808	11.46%
Assigned	7,562,365	74.43%	7,031,594	75.08%	530,771	7.55%
Total Fund Balance	\$ 10,159,265	100.00%	\$ 9,364,647	100.00%	\$ 794,618	8.49%

The chart below presents the two-year comparison of the Fund Balance by Classification for the General fund.

Fund Balance by Classification - General Fund



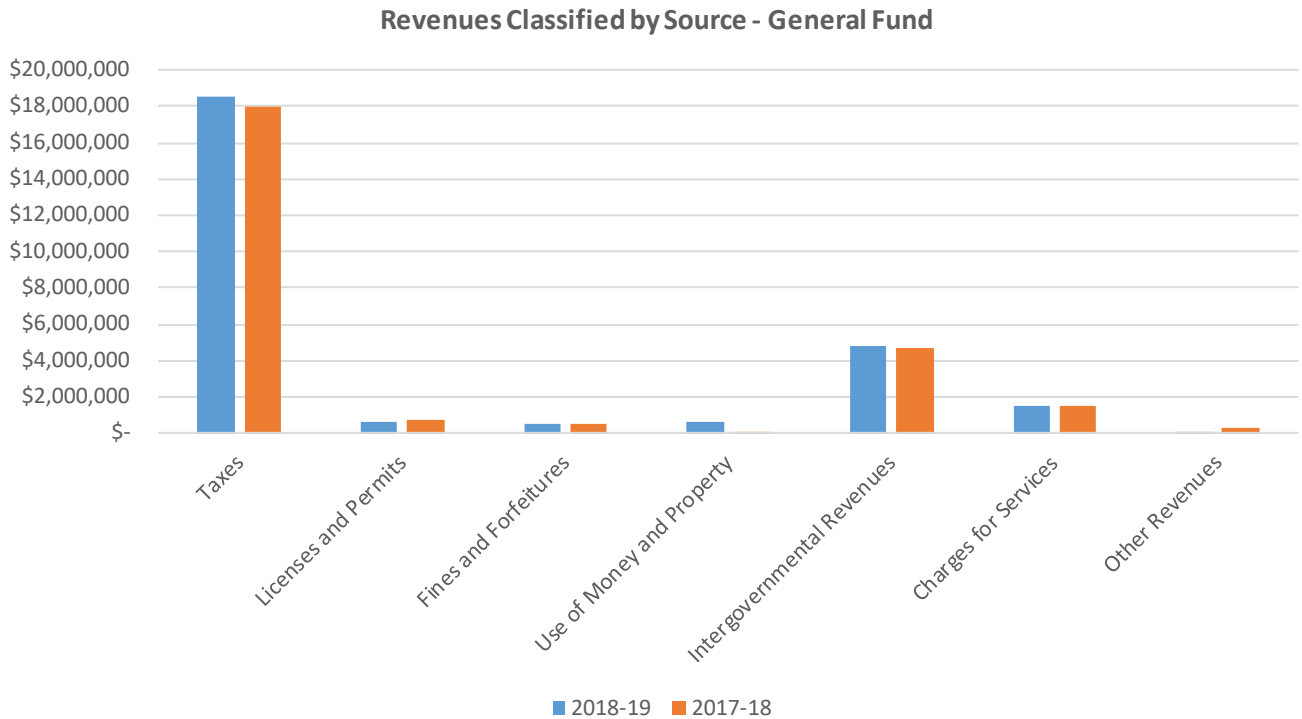
**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year for the General fund.

**Revenues Classified by Source
General Fund
June 30, 2019 and 2018**

REVENUE BY SOURCE	2019		2018		Increase/Decrease	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Variance
Taxes	\$ 18,563,123	69.31%	\$ 17,992,056	69.97%	\$ 571,067	3.17%
Licenses and Permits	678,602	2.53%	758,870	2.95%	(80,268)	-10.58%
Fines and Forfeitures	524,550	1.96%	463,323	1.80%	61,227	13.21%
Use of Money and Property	595,970	2.23%	90,393	0.35%	505,577	559.31%
Intergovernmental Revenues	4,787,534	17.87%	4,636,917	18.03%	150,617	3.25%
Charges for Services	1,543,192	5.76%	1,517,456	5.90%	25,736	1.70%
Other Revenues	90,665	0.34%	257,425	1.00%	(166,760)	-64.78%
Total Revenue	\$ 26,783,636	100.00%	\$ 25,716,440	100.00%	\$ 1,067,196	4.15%

The chart below presents the two-year comparison of the total revenues by source for the County General fund:



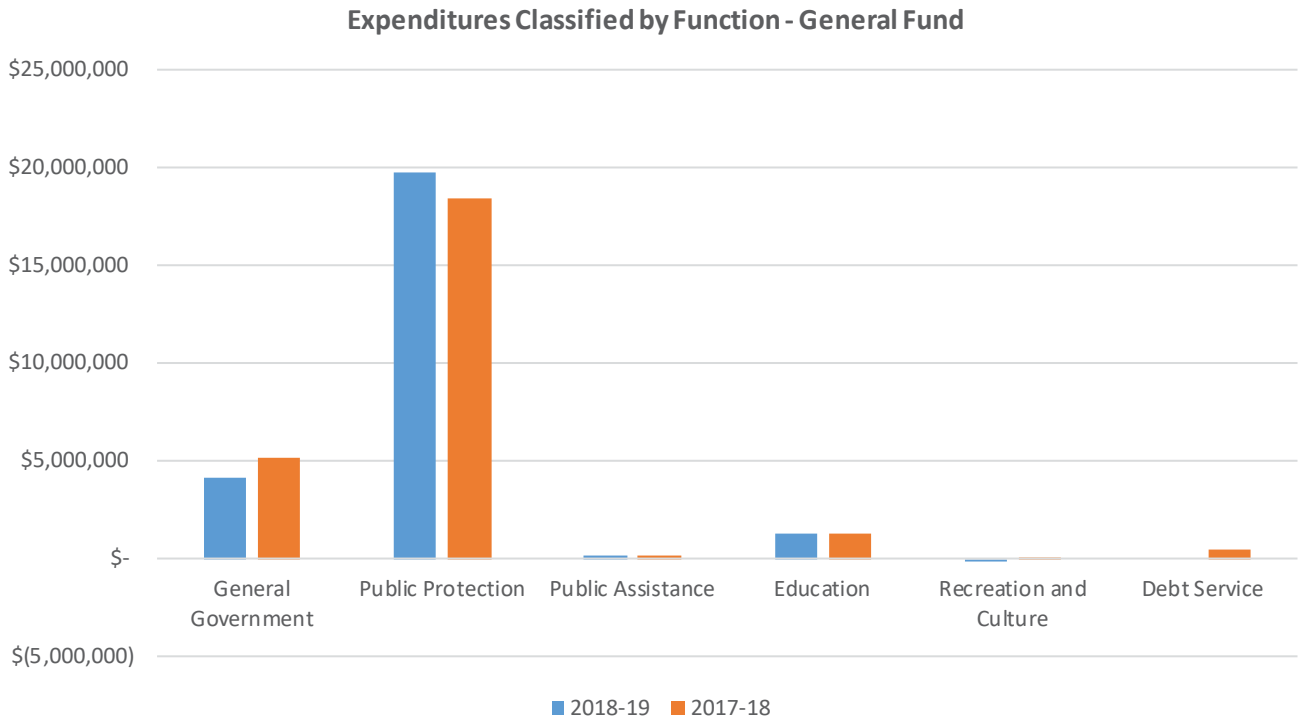
**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The following table presents the amount of expenditures by function as well as increases or decreases from the prior year for the General fund.

**Expenditures Classified by Function
General Fund
June 30, 2019 and 2018**

EXPENDITURES BY FUNCTION	2019		2018		Increase/Decrease	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Variance
General Government	\$ 4,192,363	16.48%	\$ 5,197,863	20.32%	\$ (1,005,500)	-19.34%
Public Protection	19,801,880	77.82%	18,407,453	71.96%	1,394,427	7.58%
Public Assistance	145,488	0.57%	168,024	0.66%	(22,536)	-13.41%
Education	1,320,118	5.19%	1,279,377	5.00%	40,741	3.18%
Recreation and Culture	(15,083)	-0.06%	37,515	0.15%	(52,598)	-140.21%
Debt Service	-	0.00%	488,317	1.91%	(488,317)	-100.00%
Total Expenditures	<u>\$ 25,444,766</u>	<u>100.00%</u>	<u>\$ 25,578,549</u>	<u>100.00%</u>	<u>\$ (133,783)</u>	<u>-0.52%</u>

The chart below presents the two-year comparison of the total expenditures by function for the County General fund:



**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Other financing sources and uses for the General fund are presented below to illustrate changes from the prior year.

**Other Financing Sources (Uses)
General Fund
June 30, 2019 and 2018**

	2019		2018		Increase/Decrease	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Variance
Transfers In	\$ 1,679,797	-308.64%	\$ 1,484,356	-460.71%	\$ 195,441	13.17%
Transfers Out	(2,224,049)	408.64%	(1,806,548)	560.71%	(417,501)	23.11%
Total Other Financing Sources (Uses)	<u>\$ (544,252)</u>	<u>100.00%</u>	<u>\$ (322,192)</u>	<u>100.00%</u>	<u>\$ (222,060)</u>	<u>68.92%</u>

Other Major Funds Highlights

The Health and Human Services Fund is used to account for the majority of the Public Health and Social Services programs, including Health, Environmental Health, Ambulance, Children's Services, Welfare, Senior Nutrition Program, and DHHS Administration. The net increase in fund balance is \$1,618, or 139.72%.

The Loan Programs funds are used to account for the activity for CDBG and HOME loans provided to the public for economic development and housing rehabilitation. The net decrease in fund balance is \$4,604,061, or 73.15%. This decrease is due to the writing off of a CDBG loan to Premiere Mushroom for \$4.6 million.

The Public Ways & Facilities funds are used to account for the road and bridge construction and maintenance projects activity within the Road, Bridge, and District funds. Airport activity within the Airport Special fund is also accounted for under this grouping. The net increase in fund balance is \$2,239,605, or 45.52%.

The Health and Sanitation funds are used to account for the majority of the health related programs, including Behavioral Health, Air Pollution and numerous other health related special revenue funds. The net increase in fund balance is \$759,543, or 9.26%.

The Public Assistance funds are used to account for the activity related to social services programs provided to the public, including welfare, cash aid, etc. The net decrease in fund balance is \$44,091, or 1.31%.

The net fund balances for the remaining other governmental funds, which are non-major governmental funds, decreased \$222,668 to a total of \$3,484,610, a 6% decrease. For comparison purposes, to determine the increase or decrease in net fund balances for the remaining non-major governmental funds, only the funds classified as non-major in 2018-19 were used, regardless of how the same funds were classified in the prior year.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Enterprise funds report the business-type activities of the County. Enterprise funds are used to account for the operations of Solid Waste, Airport, and East Park Reservoir.

**Net Change in Fund Net Position
Enterprise Funds
June 30, 2019 and 2018**

	2019	2018	Increase/Decrease	
			Total	Variance
TOTAL NET POSITION - BEGINNING OF YEAR	\$ (3,379,424)	\$ (3,069,594)	\$ (309,830)	10.09%
Restatement	-	(127,826)	127,826	
Operating Revenues	3,017,729	2,875,936	141,793	4.93%
Operating Expenses	(3,270,909)	(3,175,959)	(94,950)	2.99%
Nonoperating Revenues (Expenses)	117,528	111,562	5,966	5.35%
Transfers In (Out)	100,000	6,457	93,543	1448.71%
TOTAL NET POSITION - END OF YEAR	<u>\$ (3,415,076)</u>	<u>\$ (3,379,424)</u>	<u>\$ (35,652)</u>	1.05%

	2019		2018		Increase/Decrease	
	Amount	Percent	Amount	Percent	Amount	Variance
		of Total		of Total		
NET POSITION DETAIL						
Investment in Capital Assets	\$ 69,380	-2.03%	\$ 77,089	-2.28%	\$ (7,709)	-10.00%
Restricted for Closure Maintenance	699,980	-20.50%	614,207	-18.17%	85,773	13.96%
Unrestricted	(4,184,436)	122.53%	(4,070,720)	120.45%	(113,716)	2.79%
Total Net Position	<u>\$ (3,415,076)</u>	<u>100.00%</u>	<u>\$ (3,379,424)</u>	<u>100.00%</u>	<u>\$ (35,652)</u>	1.05%

For the fiscal year ended June 30, 2019, unrestricted net position (deficits) of the Solid Waste Enterprise amounted to \$(4,175,915), the Airport Enterprise amounted to \$208,976, and East Park Reservoir amounted to \$(217,497).

Since the enterprise funds had a negative change in net position during the fiscal year in the amount of \$35,652, the total net position for the funds remains in a deficit. Operating revenues increased by 4.93%, while operating expenses increased by 3%.

During the 2013-14 fiscal year, Recology Butte Colusa Counties, Inc. entered into a franchise contract modification with Colusa County to provide services for the collection of solid waste, recyclable materials and the operation of the Maxwell Transfer Station. The contract also provided for the elimination of enterprise fund employees from the County, and potential transfer to Recology. However, the County still maintains the pension and OPEB liabilities for eligible former Solid Waste Enterprise employees. The Solid Waste Enterprise fund continues to maintain the closure/post-closure liability for the Evans and Stonyford Landfills, which represents 95.86% of the total Solid Waste Enterprise liability.

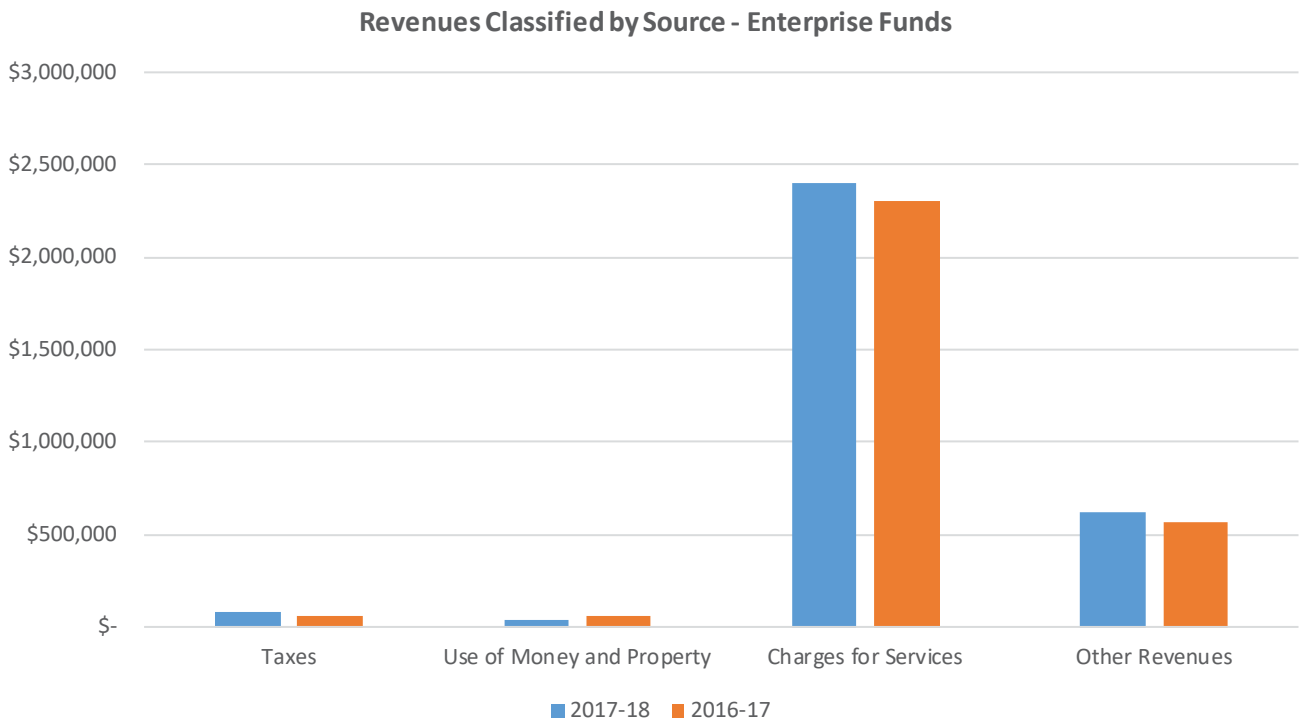
**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year for the enterprise funds.

**Revenues Classified by Source
Enterprise Funds
June 30, 2019 and 2018**

	2019		2018		Increase/Decrease	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Variance
REVENUE BY SOURCE						
Taxes	\$ 82,096	2.62%	\$ 55,839	1.87%	\$ 26,257	47.02%
Use of Money and Property	33,932	1.08%	55,723	1.87%	(21,791)	-39.11%
Charges for Services	2,396,631	76.48%	2,303,767	77.11%	92,864	4.03%
Other Revenues	621,098	19.82%	572,169	19.15%	48,929	8.55%
Total Revenue	<u>\$ 3,133,757</u>	<u>100.00%</u>	<u>\$ 2,987,498</u>	<u>100.00%</u>	<u>\$ 146,259</u>	<u>4.90%</u>

The chart below presents the two-year comparison of the total revenues by source of the enterprise funds:



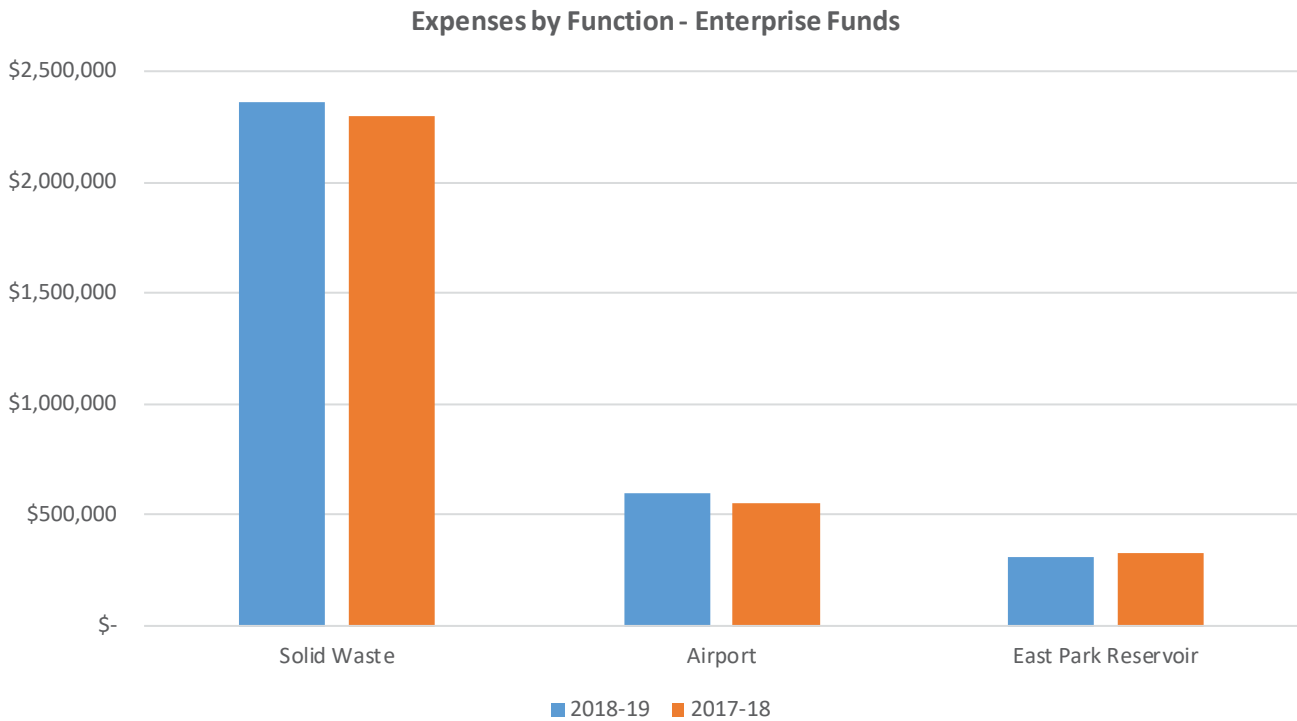
**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The following table presents the amount of expenditures by function as well as increases or decreases from the prior year for the enterprise funds.

**Expenses Classified by Function
Enterprise Funds
June 30, 2019 and 2018**

EXPENSES CLASSIFIED BY FUNCTION	2019		2018		Increase/Decrease	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Variance
Solid Waste	\$ 2,360,746	72.17%	\$ 2,295,589	72.28%	\$ 65,157	2.84%
Airport	600,796	18.37%	555,672	17.50%	45,124	8.12%
East Park Reservoir	309,367	9.46%	324,698	10.22%	(15,331)	-4.72%
Total Expenses	<u>\$ 3,270,909</u>	<u>100.00%</u>	<u>\$ 3,175,959</u>	<u>100.00%</u>	<u>\$ 94,950</u>	<u>2.99%</u>

The chart below presents the two-year comparison of the expenses by function for the enterprise funds:



**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Internal service funds are an accounting device to accumulate and allocate costs internally among the County's various functions. An internal service fund is used to account for the Insurance fund.

**Net Change in Fund Net Position
Internal Service Fund
June 30, 2019 and 2018**

	2019	2018	Increase/Decrease	
			Total	Variance
TOTAL NET POSITION - BEGINNING OF YEAR	\$ 1,866,714	\$ 1,900,652	\$ (33,938)	-1.79%
Operating Revenues	1,208,485	1,308,962	(100,477)	-7.68%
Operating Expenses	(1,264,924)	(1,352,045)	87,121	-6.44%
Nonoperating Revenues (Expenses)	77,205	9,145	68,060	744.23%
TOTAL NET POSITION - END OF YEAR	<u>\$ 1,887,480</u>	<u>\$ 1,866,714</u>	<u>\$ 20,766</u>	1.11%

	2019		2018		Increase/Decrease	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Variance
	NET POSITION DETAIL					
Unrestricted	<u>\$ 1,887,480</u>	<u>100.00%</u>	<u>\$ 1,866,714</u>	<u>100.00%</u>	<u>\$ 20,766</u>	1.11%

GENERAL FUND BUDGETARY HIGHLIGHTS

Periodically over the course of the year the Board of Supervisors revise the County's budget as appropriate. Each time a grant or specific revenue enhancement is made available to a County program that requires new appropriations, a budget amendment is required.

Approximately mid-year, each department is asked to review their revenue and expenditure budgets for trends. Adjustments may be recommended where indicated and monitored for the remainder of the year. Throughout the year the CAO Budget Analyst monitors all County budgets, and discusses specific issues with the Department and the Chief Administrative Officer, as appropriate. Unless there is an unforeseen and unusual circumstance that causes a budget overrun, a draw on Contingencies is not recommended.

Differences between the original budget and the final amended budget for the General fund resulted in a \$1,331,047 decrease in appropriations. The components of this decrease are briefly summarized as follows: \$265,840 decrease to general government; \$1,109,482 decrease to public protection; \$2,998 increase to public assistance; \$33,484 increase to education; and \$7,793 increase to recreation.

At fiscal yearend, actual revenues were higher than the final budget by \$448,445, or 1.7%, and actual expenditures were under the final budget by \$3,276,622, or 11.41%. The actual net activity, including transfers, increased the General fund's fund balance by \$794,618, while the original budget would have decreased the fund balance by \$4,429,904, and the final budget would have decreased the fund balance by \$4,173,299.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Differences between the original budget and the final amended budget, as well as differences between the final amended budget and the actual amounts, are summarized in the table below.

**County of Colusa's Budgetary Comparison
General, Health and Human Services, Loan Programs,
Public Ways and Facilities, Health and Sanitation, and Public Assistance
Fiscal Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual Amounts	Net Change Between Original and Final Budget		Net Change Between Final Budget and Actual	
				Amount	Variance	Amount	Variance
General Fund							
Total Revenues	\$ 27,330,750	\$ 26,335,191	\$ 26,783,636	\$ (995,559)	-3.64%	\$ (448,445)	-1.70%
Total Expenditures	(30,052,435)	(28,721,388)	(25,444,766)	1,331,047	-4.43%	(3,276,622)	11.41%
Other Financing Sources (Uses)	(1,708,219)	(1,787,102)	(544,252)	(78,883)	4.62%	(1,242,850)	69.55%
Net Change in Fund Balance	\$ (4,429,904)	\$ (4,173,299)	\$ 794,618	\$ 256,605	-5.79%	\$ (4,967,917)	119.04%
Health and Human Services Fund							
Total Revenues	\$ 1,071,253	\$ 1,071,253	\$ 990,294	\$ -	0.00%	\$ 80,959	7.56%
Total Expenditures	(10,978,750)	(11,009,102)	(9,139,192)	(30,352)	0.28%	(1,869,910)	16.99%
Other Financing Sources (Uses)	9,907,497	10,062,015	8,150,516	154,518	1.56%	1,911,499	19.00%
Net Change in Fund Balance	\$ -	\$ 124,166	\$ 1,618	\$ 124,166		\$ 122,548	98.70%
Loan Programs							
Total Revenues	\$ 396,945	\$ 396,892	\$ 71,735	\$ (53)	-0.01%	\$ 325,157	81.93%
Total Expenditures	(303,259)	(493,718)	(238,479)	(190,459)	62.80%	(255,239)	51.70%
Other Financing Sources (Uses)	50	162,683	162,683	162,633	325266.00%	-	0.00%
Net Change in Fund Balance	\$ 93,736	\$ 65,857	\$ (4,061)	\$ (27,879)	-29.74%	\$ 69,918	106.17%
Public Ways and Facilities							
Total Revenues	\$ 7,116,264	\$ 7,494,148	\$ 7,702,107	\$ 377,884	5.31%	\$ (207,959)	-2.77%
Total Expenditures	(11,833,752)	(11,876,408)	(6,902,635)	(42,656)	0.36%	(4,973,773)	41.88%
Other Financing Sources (Uses)	1,440,133	1,440,133	1,440,133	-	0.00%	-	0.00%
Net Change in Fund Balance	\$ (3,277,355)	\$ (2,942,127)	\$ 2,239,605	\$ 335,228	-10.23%	\$ (5,181,732)	176.12%
Health and Sanitation							
Total Revenues	\$ 11,659,326	\$ 11,808,997	\$ 12,062,970	\$ 149,671	1.28%	\$ (253,973)	-2.15%
Total Expenditures	(10,031,848)	(10,378,076)	(8,603,507)	(346,228)	3.45%	(1,774,569)	17.10%
Other Financing Sources (Uses)	(3,509,165)	(3,647,313)	(2,699,920)	(138,148)	3.94%	(947,393)	25.98%
Net Change in Fund Balance	\$ (1,881,687)	\$ (2,216,392)	\$ 759,543	\$ (334,705)	17.79%	\$ (2,975,935)	134.27%
Public Assistance							
Total Revenues	\$ 8,782,055	\$ 8,782,055	\$ 8,968,104	\$ -	0.00%	\$ (186,049)	-2.12%
Total Expenditures	(3,305,726)	(3,306,326)	(3,089,505)	(600)	0.02%	(216,821)	6.56%
Other Financing Sources (Uses)	(6,863,705)	(6,899,088)	(5,922,690)	(35,383)	0.52%	(976,398)	14.15%
Net Change in Fund Balance	\$ (1,387,376)	\$ (1,423,359)	\$ (44,091)	\$ (35,983)	2.59%	\$ (1,379,268)	96.90%

CAPITAL ASSETS

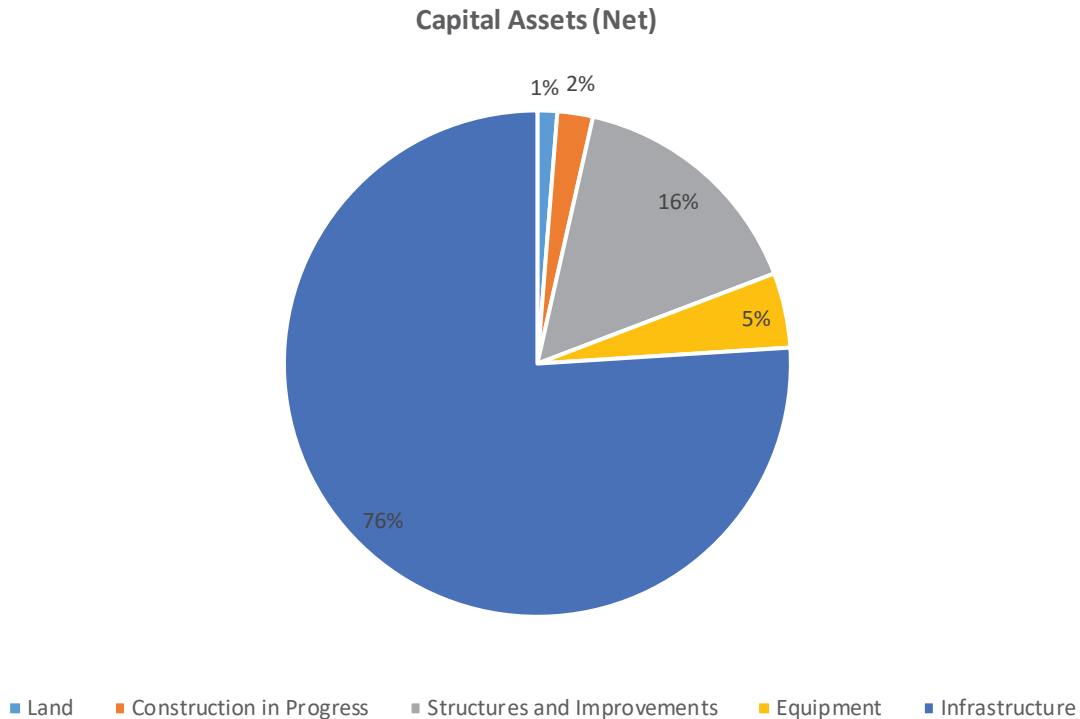
The County's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounted to \$59,305,409 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, structures and improvements, equipment, software (intangibles), and infrastructure (roads and bridges, etc.). The following table shows the County's total investment in capital assets for governmental and proprietary funds.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The following table shows the County's total investment in capital assets for governmental and proprietary funds.

	Governmental Activities		Business-Type Activities		Total		Variance
	2019	2018	2019	2018	2019	2018	
Land	\$ 749,873	\$ 749,873	\$ -	\$ -	\$ 749,873	\$ 749,873	0.00%
Construction in Progress	1,342,957	4,120,678	-	-	1,342,957	4,120,678	-67.41%
Structures and Improvements	9,228,394	9,852,502	69,380	77,089	9,297,774	9,929,591	-6.36%
Equipment	2,837,388	2,984,309	-	-	2,837,388	2,984,309	-4.92%
Infrastructure	45,077,417	41,346,407	-	-	45,077,417	41,346,407	9.02%
Total Capital Assets (Net)	\$ 59,236,029	\$ 59,053,769	\$ 69,380	\$ 77,089	\$ 59,305,409	\$ 59,130,858	0.30%

The chart below presents the County's percentage of investment in each type of Capital Asset compared to total Capital Assets.



Additional information on the County's capital assets can be found in Note 4 of this report.

DEBT ADMINISTRATION

At June 30, 2019, the County had total long-term debt outstanding of \$6,349,458 as compared to \$6,462,546 in the prior year. Decrease to compensated absences amounted to \$124,086 and increase to closure/post closure amounted to \$52,056. During the year, retirement of current debt amounted to \$41,058. In addition, the Pension Obligation Bonds that were on the books were paid in full during FY 17/18.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The net pension liability for governmental activities was \$72,721,899, an increase of \$2,057,887 over the prior year. The net pension liability for business-type activities was \$217,442, an increase of \$28,270 over the prior year. The total County net pension liability is \$72,939,341, which represents 85.26% of the total liabilities.

The 2014-15 fiscal year was the first year the County implemented the accounting standard required by the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions", which establishes the standards for the measurement and recognition of liabilities, deferred outflows, deferred inflows, and expenses related to pensions.

The net OPEB obligation for governmental activities was \$2,921,238, a decrease of \$2,172,889 over the prior year. The net OPEB obligation for business-type activities was \$23,602, a decrease of \$22,017, over the prior year. The total County net OPEB obligation is \$2,944,840, which represents 3.44% of the total liabilities.

The 2008-09 fiscal year was the first year the County was required to calculate and disclose our OPEB Obligation (Other Post-Employee Benefits).

Pursuant to GASB 45, an employer has made an OPEB contribution in relation to the Annual Required Contribution (ARC) if the employer has (1) made payments of benefits directly to or on behalf of a retiree or beneficiary, (2) made premium payments to an insurer, or (3) irrevocably transferred assets to a trust in which plan assets are dedicated to providing benefits to retirees and their beneficiaries. Colusa County has made direct benefit payments, which are considered "pay-as-you-go". In addition, as of June 30, 2018, the County deposited \$10,486,094 in an irrevocable trust to reduce the OPEB liability.

During the 2017-18 fiscal year two things occurred with regards to OPEB: 1) The Board of Supervisors approved the establishment of an irrevocable OPEB trust with PARS. This has allowed the County to record a higher earning rate and reduce the County's ultimate liability by allowing us to consider the monies sitting in the irrevocable trust as "Plan Assets" for financial reporting purposes; and 2) The County implemented GASB 74/75 overriding the requirements under GASB 45. GASB 75 requires the County to carry the full actuarial liability in its net position rather than an amortized portion of it. This would have meant that the County would have had to show a \$15,746,465 OPEB liability as of June 30, 2019. However, that OPEB liability dropped to \$2,944,840 with the establishment of the irrevocable trust.

The following table shows the composition of the County's total outstanding debt for governmental and proprietary funds.

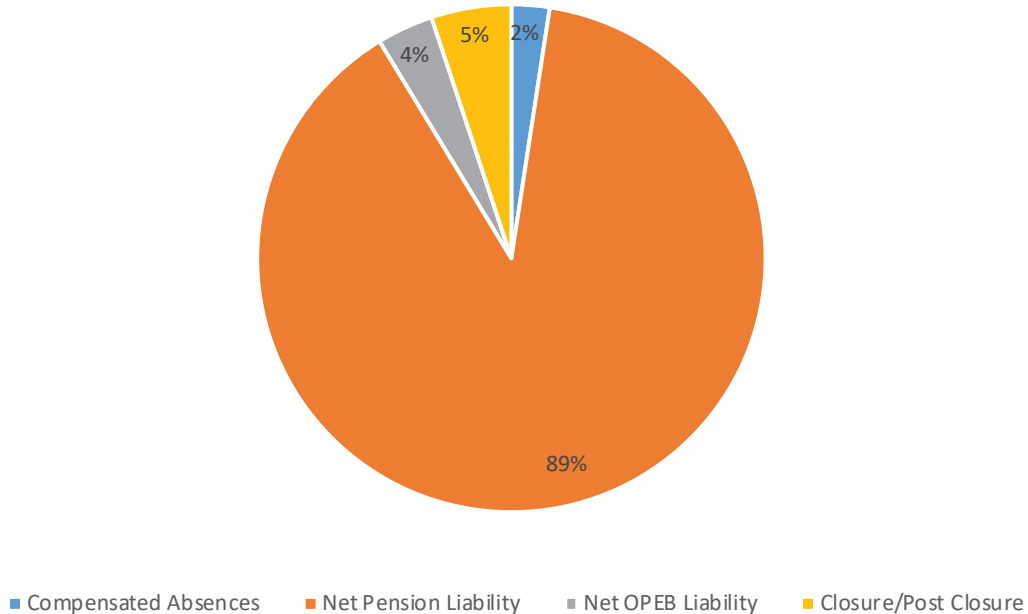
LONG-TERM DEBT

	Governmental Activities		Business-Type Activities		Total		Variance
	2019	2018	2019	2018	2019	2018	
Loans Payable	\$ 108,756	\$ 114,480	\$ -	\$ -	\$ 108,756	\$ 114,480	-5.00%
Capital Leases	72,907	108,241	-	-	72,907	108,241	-32.64%
Compensated Absences	1,983,696	2,107,655	3,630	3,757	1,987,326	2,111,412	-5.88%
Net Pension Liability	72,721,899	70,664,012	217,442	189,172	72,939,341	70,853,184	2.94%
Net OPEB Liability	2,921,238	5,094,127	23,602	45,619	2,944,840	5,139,746	-42.70%
Closure/Post Closure	-	-	4,180,469	4,128,413	4,180,469	4,128,413	1.26%
Total Long-Term Debt	<u>\$ 77,808,496</u>	<u>\$ 78,088,515</u>	<u>\$ 4,425,143</u>	<u>\$ 4,366,961</u>	<u>\$ 82,233,639</u>	<u>\$ 82,455,476</u>	-0.27%

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

The chart below illustrates the County's percentage of each type of long-term debt.

Long-Term Debt - Governmental and Business-Type Activities



Additional information on the County's long-term debt can be found in Note 7 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County developed the 2018-19 annual budget based on State budget projections, with careful consideration given to the diminished economic factors, both in the State of California and the County of Colusa, as well as anticipated changes in revenue sources and increased funding requirements. The same conservative approach was used when developing the 2019-20 annual budget.

County administration monitors the State legislature and officials closely, testifying before legislature and committees whenever possible in defense of small counties. We expect the State's financial situation to impact local governments as the State attempts to balance their budget, and continue to reassign programs to the counties that have been the responsibility of the State in the past. The County is aware of different State programs that may be reduced or eliminated; however, in many cases the mandates still exist.

The State funded department of Health and Human Services continues to be impacted with funding reductions and the reassignment of some programs from the State to the County level. Regulations have changed that make it more difficult for an individual to qualify for certain services from the State, so it puts an added burden on the County to provide those services, and during this state fiscal crisis, there are more citizens that require benefits from Health and Human Services. A new development is the counties increasing costs related to the IHSS Maintenance of Effort (MOE), as part of the County responsibility, rather than the State paying the MOE, as was the original agreement. Additionally, DHHS will have an approximate 3-5% reduction in funding for Eligibility and Cal Works even though caseloads have not decreased; Foster Care has been completely restructured in the last two years with

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

minimal resources provided for the enhancement of the State requirements for foster youth placement, and the Child Welfare caseload has doubled consistently for the last three years. These unfunded State mandates would devastate the Health and Human Services fund and require contributions from the General fund in two to four years, which would ultimately deplete all General fund reserves causing the reduction of General fund programs.

The passing of SB1, the Road Repair and Accountability Act of 2017, is expected to provide a new enhanced revenue source for County road maintenance projects. However, in order to be eligible for the increased revenue source, the County must commit discretionary County General fund dollars to the project as well. While the dedication of additional tax dollars to the County roads will be beneficial for our citizens, it will require taking General fund dollars from other County services and operations, or reducing County reserves.

The County was recently awarded \$20,000,000 under SB863 by the Board of State and Community Corrections (BSCC) for construction of a new County Detention Facility. The proposed project will provide adequate programming, mental health treatment and recreation space, as well as medical/dental facilities. There is a required County match which will be funded by the General fund. Due to the amount of time it is taking for the project to work its way through various approval processes at the State level we are looking at increased costs in order to complete this project. Recent estimates show an additional \$2 million required to be covered by the County, on top of the award amount from the state, to cover all costs associated with this project. The completion date of the project is largely dependent upon the receipt of State approvals, and the subsequent construction.

The Tri-County Juvenile Hall is another grant funded project awarded by BSCC. The County budgeted \$940,382 in 2019-20 for our share of the costs. This regional project has obtained the proper approvals at the State level. Ground breaking for the project is estimated to begin in fall of 2020. The completion date is dependent on the timing of construction. As part of the agreement for the construction project and ongoing operations, the County has committed to a percentage share of total costs.

Conservative budgeting, and extensive analysis of possible revenue/funding sources, has resulted in reserves exceeding \$5,000,000, upon the adoption of the 2019-20 budget.

At the conclusion of the 2018-19 fiscal year the County has paid off all outstanding loans, with the exception of one interest-free loan which has an annual payment of \$5,724.

Since the current Memorandum of Understandings (MOUs) with all County employees expired September 30, 2019 the Board of Supervisors are currently in negotiations with all bargaining units. The ultimate financial impacts of the new MOUs is still to be determined.

As would be expected, pensions are the most costly employee benefit. The rates for each plan continue to rise year after year. Pension costs throughout the nation have increased dramatically as a direct result of investment earnings. Consequently, the California Public Employees' Pension Reform Act of 2013 was approved to reduce future pension costs. Subsequently, the Board of Supervisors negotiated further reductions, which created a 3-tier pension plan in Colusa County.

Making sound business decisions, the County Board of Supervisors has been funding the County's Other Post- Employment Benefits (OPEB) liability annually. A contribution rate had been built into the monthly payroll calculation and funds were being set aside in a designated fund within the County Treasury. At the end of the 2017-18 fiscal year the Board of Supervisors approved the establishment of an irrevocable OPEB trust fund with PARS. Those monthly funds are now being submitted to PARS for

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

inclusion in that trust fund. This has had a positive outlook on the County as the establishment of the irrevocable trust fund has allowed us to offset that fund's balance against our OPEB liability. According to the OPEB actuary reports our OPEB liability as gone from \$3,028,979 to \$277,198, for measurements dates of June 30, 2019 and June 30, 2020, respectively.

Colusa County is a farming community, and water is a vital resource for the well-being and continued sustainability of the economy. Consequently, in an effort to be pro-active and protect our valuable resource for our citizens and our future, a Water Management budget unit was established in 2011-12, which has since been staffed with a knowledgeable, experienced individual. The County played a primary role in the recent creation of the Colusa Groundwater Authority in response to the Sustainable Groundwater Management Act, and continues to develop the required Groundwater Management Plan.

The County is also actively leading the charge for the development and construction of the Sites Reservoir; and as a result, established a budget unit specifically for this endeavor in 2014-15. The County is an active member of the Sites Reservoir JPA, committing funding with other water agency members to ensure the large off-stream reservoir through to its fruition. Although this project has some very large initial funding requirements, the County believes this long-range planning and commitment will benefit the County, as well as the State, in the future.

In an effort to stimulate the County's economy the Board of Supervisors and the Community and Economic Development Committee are actively searching for businesses that are a good fit for the County to provide that much needed economic growth.

The overall property tax roll should continue to increase this next year. The residential market has continued to increase. Over the past few years, the County has made a concerted effort to enroll new trees/orchards planted in the county and as they start to produce the assessed values will go even higher. The new orchards and the rebound of the residential real estate market have led to the increase in the tax rolls.

The PG&E power plant was put into operation in December 2010 and has had a positive effect on the County property tax roll. The County Board of Supervisors has been fiscally conservative with the use of these new funds, in order to build a reserve and to prepare for contingencies. The Board recognizes the State's fiscal problems; it is the Board's goal to ensure the County weathers the economic downturn, and that needed services are still available for our citizens. Unfortunately, the property taxes generated by the power plant will continue to decline as the fixtures depreciate on an annual basis, so this must be taken into consideration when developing an on-going operations budget.

The General fund revenue sources most vulnerable to short-term influences and the most difficult to project are consumer/business-driven taxes and fees such as sales tax revenues and permit/service fees associated with agriculture. These circumstances have put an additional burden on the services we provide our citizens and a strain on our resources. We do not expect the State's financial issues to be resolved within the next budget year; we expect the next couple years to be even more difficult as the State continues to "realign" services to the local level. Consequently, we are taking steps and considering these possibilities when adopting our County budget. The CAO has developed and will distribute budget goals, objectives, and guidelines for the preparation of the 2020-21 requested departmental budgets. The County is committed to providing the services needed by our citizens, while maintaining conservative financial management practices to avoid detrimental effects on our financial structure, and the viability of our County.

**COUNTY OF COLUSA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Colusa County Auditor-Controller, Robert Zunino, 546 Jay Street, Suite 202, Colusa, CA 95932; (530) 458-0400.

BASIC FINANCIAL STATEMENTS

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COUNTY OF COLUSA, CALIFORNIA
GOVERNMENT-WIDE – STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 33,111,323	\$ 844,561	\$ 33,955,884
Receivables:			
Accounts	262,780	263,788	526,568
Intergovernmental	6,231,070	-	6,231,070
Interest	166,489	4,944	171,433
Prepaid Costs	55,953	75	56,028
Deposits with Others	3,521,909	-	3,521,909
Inventory	93,388	2,961	96,349
Restricted Cash and Investments	100,746	-	100,746
Investment in JPA	36,131	-	36,131
Loans Receivable	2,009,313	-	2,009,313
Capital Assets:			
Nondepreciable	2,092,830	-	2,092,830
Depreciable, Net	57,143,199	69,380	57,212,579
Total Assets	<u>104,825,131</u>	<u>1,185,709</u>	<u>106,010,840</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Adjustments	12,861,281	33,675	12,894,956
Deferred OPEB Adjustments	14,073	114	14,187
Total Deferred Outflows of Resources	<u>12,875,354</u>	<u>33,789</u>	<u>12,909,143</u>
LIABILITIES			
Accounts Payable	1,418,361	190,521	1,608,882
Deposits Payable	13,125	-	13,125
Unearned Revenue	61,316	-	61,316
Accrued Claims Liability	1,634,429	-	1,634,429
Long-Term Liabilities:			
Due Within One Year	763,585	42,825	806,410
Due in More than One Year	1,401,774	4,141,274	5,543,048
Net Pension Liability	72,721,899	217,442	72,939,341
Net OPEB Liability	2,921,238	23,602	2,944,840
Total Liabilities	<u>80,935,727</u>	<u>4,615,664</u>	<u>85,551,391</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Adjustments	1,196,099	2,407	1,198,506
Deferred OPEB Adjustments	2,042,583	16,503	2,059,086
Total Inflows of Resources	<u>3,238,682</u>	<u>18,910</u>	<u>3,257,592</u>
NET POSITION			
Net Investment in Capital Assets	59,054,366	69,380	59,123,746
Restricted for:			
General Government	4,669,344	-	4,669,344
Public Protection	7,884,446	-	7,884,446
Public Ways and Facilities	4,533,956	-	4,533,956
Health and Sanitation	10,128,590	-	10,128,590
Public Assistance	3,982,905	-	3,982,905
Education	264,784	-	264,784
Recreation and Cultural	4,923	-	4,923
Closure Maintenance	-	699,980	699,980
Unrestricted	(56,997,238)	(4,184,436)	(61,181,674)
Total Net Position	<u>\$ 33,526,076</u>	<u>\$ (3,415,076)</u>	<u>\$ 30,111,000</u>

See accompanying Notes to Financial Statements.

**COUNTY OF COLUSA, CALIFORNIA
GOVERNMENT-WIDE – STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 6,231,073	\$ 911,841	\$ 944,912	\$ -
Public Protection	23,523,057	2,322,319	7,280,185	112,653
Public Ways and Facilities	6,268,316	717,045	4,288,554	1,445,650
Health And Sanitation	12,011,278	684,441	12,284,050	-
Public Assistance	10,070,085	18,275	8,896,579	-
Education	1,374,357	6,386	17,646	-
Recreation and Cultural Services	2,768	(1,601)	-	-
Interest on Long-Term Debt	5,598	-	-	-
Total Governmental Activities	<u>59,486,532</u>	<u>4,658,706</u>	<u>33,711,926</u>	<u>1,558,303</u>
Business-Type Activities:				
Solid Waste	2,360,746	2,200,157	1,500	-
Airport	600,796	-	-	-
East Park Reservoir	309,367	196,474	-	-
Total Business-Type Activities	<u>3,270,909</u>	<u>2,396,631</u>	<u>1,500</u>	<u>-</u>
Total Primary Government	<u><u>\$ 62,757,441</u></u>	<u><u>\$ 7,055,337</u></u>	<u><u>\$ 33,713,426</u></u>	<u><u>\$ 1,558,303</u></u>

General Revenues:

Taxes:

Property Taxes

Sales and Use Taxes

Franchise Taxes

Aviation Taxes

Tobacco Settlement

Interest and Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Special Item

CHANGE IN NET POSITION

Net Position - Beginning of Year

Net Position - End of Year

See accompanying Notes to Financial Statements.

Net (Expenses) Revenues and
Changes in Net Position

Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ (4,374,320)	\$ -	\$ (4,374,320)
(13,807,900)	-	(13,807,900)
182,933	-	182,933
957,213	-	957,213
(1,155,231)	-	(1,155,231)
(1,350,325)	-	(1,350,325)
(4,369)	-	(4,369)
(5,598)	-	(5,598)
<u>(19,557,597)</u>	<u>-</u>	<u>(19,557,597)</u>
-	(159,089)	(159,089)
-	(600,796)	(600,796)
-	(112,893)	(112,893)
-	<u>(872,778)</u>	<u>(872,778)</u>
<u>(19,557,597)</u>	<u>(872,778)</u>	<u>(20,430,375)</u>
17,453,172	-	17,453,172
2,092,586	-	2,092,586
520,128	-	520,128
-	82,096	82,096
264,312	-	264,312
1,763,342	33,932	1,797,274
484,209	621,098	1,105,307
(100,000)	100,000	-
<u>22,477,749</u>	<u>837,126</u>	<u>23,314,875</u>
<u>(4,600,000)</u>	<u>-</u>	<u>(4,600,000)</u>
(1,679,848)	(35,652)	(1,715,500)
<u>35,205,924</u>	<u>(3,379,424)</u>	<u>31,826,500</u>
<u>\$ 33,526,076</u>	<u>\$ (3,415,076)</u>	<u>\$ 30,111,000</u>

**COUNTY OF COLUSA, CALIFORNIA
GOVERNMENTAL FUNDS – BALANCE SHEET
YEAR ENDED JUNE 30, 2019**

	General Fund	Health and Human Services	Loan Programs	Public Ways and Facilities
ASSETS				
Cash and Investments	\$ 9,075,835	\$ 55,194	\$ 1,103,292	\$ 6,724,881
Receivables:				
Accounts	235,824	185	-	555
Intergovernmental	2,142,723	295,860	-	1,161,721
Interest	40,020	-	4,962	35,962
Prepaid Costs	37,700	11,504	-	-
Due from Other Funds	942,823	-	-	-
Inventory	2,432	-	-	90,956
Restricted Cash and Investments	-	-	-	-
Loans Receivable	-	-	2,009,313	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 12,477,357</u>	<u>\$ 362,743</u>	<u>\$ 3,117,567</u>	<u>\$ 8,014,075</u>
LIABILITIES				
Accounts Payable	\$ 637,082	\$ 66,658	\$ -	\$ 102,569
Deposits Payable	50	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	200	-	-	61,116
Total Liabilities	<u>637,332</u>	<u>66,658</u>	<u>-</u>	<u>163,685</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,680,760	295,625	1,427,305	691,041
FUND BALANCES				
Nonspendable	40,132	11,504	-	90,956
Restricted	2,556,768	250	1,690,262	3,842,915
Committed	-	-	-	3,225,478
Assigned	7,562,365	-	-	-
Unassigned	-	(11,294)	-	-
Total Fund Balances	<u>10,159,265</u>	<u>460</u>	<u>1,690,262</u>	<u>7,159,349</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,477,357</u>	<u>\$ 362,743</u>	<u>\$ 3,117,567</u>	<u>\$ 8,014,075</u>

**COUNTY OF COLUSA, CALIFORNIA
GOVERNMENTAL FUNDS – BALANCE SHEET (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Health and Sanitation	Public Assistance	Other Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 9,337,608	\$ 2,721,528	\$ 4,092,985	\$ 33,111,323
Receivables:				
Accounts	10,473	10	15,733	262,780
Intergovernmental	983,920	772,211	874,635	6,231,070
Interest	47,634	17,310	20,601	166,489
Prepaid Costs	1,745	-	5,004	55,953
Due from Other Funds	-	-	-	942,823
Inventory	-	-	-	93,388
Restricted Cash and Investments	-	100,746	-	100,746
Loans Receivable	-	-	-	2,009,313
	-	-	-	-
Total Assets	<u>\$ 10,381,380</u>	<u>\$ 3,611,805</u>	<u>\$ 5,008,958</u>	<u>\$ 42,973,885</u>
LIABILITIES				
Accounts Payable	\$ 482,944	\$ -	\$ 129,108	\$ 1,418,361
Deposits Payable	-	-	13,075	13,125
Due to Other Funds	197,449	-	745,374	942,823
Unearned Revenue	-	-	-	61,316
Total Liabilities	<u>680,393</u>	<u>-</u>	<u>887,557</u>	<u>2,435,625</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	739,934	298,325	636,791	5,769,781
FUND BALANCES				
Nonspendable	1,745	-	5,004	149,341
Restricted	9,158,178	3,611,886	4,838,908	25,699,167
Committed	-	-	14,683	3,240,161
Assigned	-	-	-	7,562,365
Unassigned	(198,870)	(298,406)	(1,373,985)	(1,882,555)
Total Fund Balances	<u>8,961,053</u>	<u>3,313,480</u>	<u>3,484,610</u>	<u>34,768,479</u>
	-	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,381,380</u>	<u>\$ 3,611,805</u>	<u>\$ 5,008,958</u>	<u>\$ 42,973,885</u>

See accompanying Notes to Financial Statements.

**COUNTY OF COLUSA, CALIFORNIA
RECONCILIATION OF GOVERNMENTAL FUNDS – BALANCE SHEET TO
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Fund Balance - Total Governmental Funds \$ 34,768,479

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds balance sheet. 59,236,029

Some of the County's revenue is not available to pay for current period expenditures, and therefore, are not reported in the governmental funds balance sheets. 5,769,781

Equity in the JPA is included in the governmental activities in the statement of net position. 36,131

Deferred outflows of resources related to pensions are not reported in the governmental funds. 12,861,281

Deferred outflows of resources related to OPEB are not reported in the governmental funds. 14,073

Deferred inflows of resources related to pensions are not reported in the governmental funds. (1,196,099)

Deferred inflows of resources related to OPEB are not reported in the governmental funds. (2,042,583)

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.

Loans Payable (108,756)

Capital Leases (72,907)

Compensated Absences (1,983,696)

Net Pension Liability (72,721,899)

Net OPEB Liability (2,921,238)

Internal service funds are used by the County to charge the cost of liability, malpractice, and worker's compensation insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

1,887,480

Net Position of Governmental Activities \$ 33,526,076

COUNTY OF COLUSA, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	General Fund	Health and Human Services	Loan Programs	Public Ways and Facilities
REVENUES				
Taxes	\$ 18,563,123	\$ -	\$ -	\$ 1,484,741
Licenses and Permits	678,602	159,382	-	13,921
Fines and Forfeitures	524,550	-	-	-
Use of Money and Property	595,970	1,369	71,735	204,830
Intergovernmental Revenues	4,787,534	734,992	-	5,944,624
Charges for Services	1,543,192	76,266	-	12,083
Other Revenues	90,665	18,285	-	41,908
Total Revenues	<u>26,783,636</u>	<u>990,294</u>	<u>71,735</u>	<u>7,702,107</u>
EXPENDITURES				
Current:				
General Government	4,192,363	-	238,479	-
Public Protection	19,801,880	-	-	-
Public Ways and Facilities	-	-	-	6,861,703
Health and Sanitation	-	2,613,659	-	-
Public Assistance	145,488	6,525,533	-	-
Education	1,320,118	-	-	-
Recreation and Culture	(15,083)	-	-	-
Debt Service:				
Principal	-	-	-	35,334
Interest and Fiscal Charges	-	-	-	5,598
Capital Outlay	-	-	-	-
Total Expenditures	<u>25,444,766</u>	<u>9,139,192</u>	<u>238,479</u>	<u>6,902,635</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,338,870	(8,148,898)	(166,744)	799,472
OTHER FINANCING SOURCES (USES)				
Transfers In	1,679,797	8,160,036	215,113	1,440,133
Transfers Out	(2,224,049)	(9,520)	(52,430)	-
Total Other Financing Sources (Uses)	<u>(544,252)</u>	<u>8,150,516</u>	<u>162,683</u>	<u>1,440,133</u>
CHANGE IN FUND BALANCES BEFORE SPECIAL ITEM	794,618	1,618	(4,061)	2,239,605
Special Item:				
Loan Receivable Write-Off	-	-	(4,600,000)	-
NET CHANGE IN FUND BALANCES	794,618	1,618	(4,604,061)	2,239,605
Fund Balance - Beginning of Year, Restated	<u>9,364,647</u>	<u>(1,158)</u>	<u>6,294,323</u>	<u>4,919,744</u>
FUND BALANCES - END OF YEAR	<u>\$ 10,159,265</u>	<u>\$ 460</u>	<u>\$ 1,690,262</u>	<u>\$ 7,159,349</u>

See accompanying Notes to Financial Statements.

COUNTY OF COLUSA, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2019

	Health and Sanitation	Public Assistance	Other Governmental Funds	Total
REVENUES				
Taxes	\$ -	\$ -	\$ 18,022	\$ 20,065,886
Licenses and Permits	313,579	-	-	1,165,484
Fines and Forfeitures	124,615	-	159,226	808,391
Use of Money and Property	310,841	107,762	393,630	1,686,137
Intergovernmental Revenues	11,050,756	8,824,347	3,254,747	34,597,000
Charges for Services	261,754	-	155,358	2,048,653
Other Revenues	1,425	35,995	295,931	484,209
Total Revenues	<u>12,062,970</u>	<u>8,968,104</u>	<u>4,276,914</u>	<u>60,855,760</u>
EXPENDITURES				
Current:				
General Government	-	-	885,397	5,316,239
Public Protection	-	-	2,615,329	22,417,209
Public Ways and Facilities	-	-	-	6,861,703
Health and Sanitation	8,603,507	-	209,413	11,426,579
Public Assistance	-	3,089,505	-	9,760,526
Education	-	-	-	1,320,118
Recreation and Culture	-	-	4,475	(10,608)
Debt Service:				
Principal	-	-	5,724	41,058
Interest and Fiscal Charges	-	-	-	5,598
Capital Outlay	-	-	92,774	92,774
Total Expenditures	<u>8,603,507</u>	<u>3,089,505</u>	<u>3,813,112</u>	<u>57,231,196</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,459,463	5,878,599	463,802	3,624,564
OTHER FINANCING SOURCES (USES)				
Transfers In	1,293,239	22	156,163	12,944,503
Transfers Out	<u>(3,993,159)</u>	<u>(5,922,712)</u>	<u>(842,633)</u>	<u>(13,044,503)</u>
Total Other Financing Sources (Uses)	<u>(2,699,920)</u>	<u>(5,922,690)</u>	<u>(686,470)</u>	<u>(100,000)</u>
CHANGE IN FUND BALANCES BEFORE SPECIAL ITEM	759,543	(44,091)	(222,668)	3,524,564
Special Item:				
Loan Receivable Write-Off	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,600,000)</u>
NET CHANGE IN FUND BALANCES	759,543	(44,091)	(222,668)	(1,075,436)
Fund Balance - Beginning of Year, Restated	<u>8,201,510</u>	<u>3,357,571</u>	<u>3,707,278</u>	<u>35,843,915</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 8,961,053</u></u>	<u><u>\$ 3,313,480</u></u>	<u><u>\$ 3,484,610</u></u>	<u><u>\$ 34,768,479</u></u>

See accompanying Notes to Financial Statements.

**COUNTY OF COLUSA, CALIFORNIA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Net Change to Fund Balance - Total Governmental Funds \$ (1,075,436)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for Capital Outlay	2,731,683
Less: Loss on Disposition of Capital Assets	(6,816)
Less: Current Year Depreciation	(2,542,607)

Some revenues reported in the statement of activities will not be collected for several months after the County's year end and do not provide current financial resources and therefore, are not reported as revenues in the governmental funds.	1,573,719
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal Payments	41,058
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Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

Change in Compensated Absences	123,959
Change in Net Pension Liability and Related Deferred Inflows/Outflows	(5,067,771)
Change in Net OPEB Liability and Related Deferred Inflows/Outflows	2,521,597

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	<u>20,766</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (1,679,848)</u></u>
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**COUNTY OF COLUSA, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

	Business-Type Activities			Governmental Activities
	Solid Waste	Other Enterprise Funds	Total	Internal Service Fund
ASSETS				
Current Assets:				
Cash and Investments	\$ 700,136	\$ 144,425	\$ 844,561	\$ -
Receivables:				
Accounts	186,578	77,210	263,788	-
Interest	3,705	1,239	4,944	-
Prepaid Costs	-	75	75	-
Deposits with Others	-	-	-	3,521,909
Inventory	-	2,961	2,961	-
Total Current Assets	<u>890,419</u>	<u>225,910</u>	<u>1,116,329</u>	<u>3,521,909</u>
Noncurrent Assets:				
Capital Assets:				
Depreciable:				
Structures and Improvements	285,621	93,187	378,808	-
Accumulated Depreciation	(216,241)	(93,187)	(309,428)	-
Total Noncurrent Assets	<u>69,380</u>	<u>-</u>	<u>69,380</u>	<u>-</u>
Total Assets	959,799	225,910	1,185,709	3,521,909
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Adjustments	-	33,675	33,675	-
Deferred OPEB Adjustments	38	76	114	-
Total Deferred Outflows of Resources	38	33,751	33,789	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	172,555	17,966	190,521	-
Claims Payable	-	-	-	1,634,429
Closure/Postclosure Liability	42,825	-	42,825	-
Total Current Liabilities	<u>215,380</u>	<u>17,966</u>	<u>233,346</u>	<u>1,634,429</u>
Noncurrent Liabilities:				
Compensated Absences	-	3,630	3,630	-
Closure/Postclosure Liability	4,137,644	-	4,137,644	-
Net Pension Liability	-	217,442	217,442	-
Net OPEB Liability	7,867	15,735	23,602	-
Total Noncurrent Liabilities	<u>4,145,511</u>	<u>236,807</u>	<u>4,382,318</u>	<u>-</u>
Total Liabilities	4,360,891	254,773	4,615,664	1,634,429
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Adjustments	-	2,407	2,407	-
Deferred OPEB Adjustments	5,501	11,002	16,503	-
Total Deferred Inflows of Resources	5,501	13,409	18,910	-
NET POSITION				
Net Investment in Capital Assets	69,380	-	69,380	-
Restricted	699,980	-	699,980	-
Unrestricted	(4,175,915)	(8,521)	(4,184,436)	1,887,480
Total Net Position	<u>\$ (3,406,555)</u>	<u>\$ (8,521)</u>	<u>\$ (3,415,076)</u>	<u>\$ 1,887,480</u>

See accompanying Notes to Financial Statements.

COUNTY OF COLUSA, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Business-Type Activities			Governmental Activities
	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 2,200,157	\$ 196,474	\$ 2,396,631	\$ 1,208,485
Other Revenue	117,115	503,983	621,098	-
Total Operating Revenues	<u>2,317,272</u>	<u>700,457</u>	<u>3,017,729</u>	<u>1,208,485</u>
OPERATING EXPENSES				
Salaries and Employee Benefits	5,811	180,089	185,900	-
Services and Supplies	2,347,226	730,074	3,077,300	-
Claims Expense	-	-	-	1,264,924
Depreciation	7,709	-	7,709	-
Total Operating Expenses	<u>2,360,746</u>	<u>910,163</u>	<u>3,270,909</u>	<u>1,264,924</u>
OPERATING INCOME (LOSS)	<u>(43,474)</u>	<u>(209,706)</u>	<u>(253,180)</u>	<u>(56,439)</u>
NONOPERATING REVENUES (EXPENSES)				
Taxes	1,200	80,896	82,096	-
Intergovernmental Revenue	1,500	-	1,500	-
Interest Income	25,512	8,420	33,932	77,205
Total Nonoperating Revenues (Expenses)	<u>28,212</u>	<u>89,316</u>	<u>117,528</u>	<u>77,205</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(15,262)</u>	<u>(120,390)</u>	<u>(135,652)</u>	<u>20,766</u>
Transfers In	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
CHANGE NET POSITION	<u>(15,262)</u>	<u>(20,390)</u>	<u>(35,652)</u>	<u>20,766</u>
Net Position (Deficit) - Beginning of Year	<u>(3,391,293)</u>	<u>11,869</u>	<u>(3,379,424)</u>	<u>1,866,714</u>
NET POSITION (DEFICIT) - END OF YEAR	<u><u>\$ (3,406,555)</u></u>	<u><u>\$ (8,521)</u></u>	<u><u>\$ (3,415,076)</u></u>	<u><u>\$ 1,887,480</u></u>

See accompanying Notes to Financial Statements.

**COUNTY OF COLUSA, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 2,302,351	\$ 677,029	\$ 2,979,380	\$ 1,208,485
Payments to Suppliers	(2,284,177)	(720,505)	(3,004,682)	(1,285,690)
Payments to Employees	(14,783)	(165,568)	(180,351)	-
Net Cash Provided (Used) by Operating Activities	<u>3,391</u>	<u>(209,044)</u>	<u>(205,653)</u>	<u>(77,205)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes Received	1,200	80,896	82,096	-
Other Receipts	1,500	-	1,500	-
Payments on Interfund Loans	-	(12,980)	(12,980)	-
Transfers from Other Funds	-	100,000	100,000	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,700</u>	<u>167,916</u>	<u>170,616</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Earnings	24,110	8,337	32,447	77,205
Net Cash Provided (Used) by Investing Activities	<u>24,110</u>	<u>8,337</u>	<u>32,447</u>	<u>77,205</u>
Net Increase (Decrease) in Cash and Cash Equivalents	30,201	(32,791)	(2,590)	-
Cash and Cash Equivalents - Beginning of Year	669,935	177,216	847,151	-
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 700,136</u>	<u>\$ 144,425</u>	<u>\$ 844,561</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (43,474)	\$ (209,706)	\$ (253,180)	\$ (56,439)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	7,709	-	7,709	-
Decrease (Increase) in:				
Accounts Receivable	(14,921)	(23,428)	(38,349)	-
Deposits	-	-	-	(3,521,909)
Prepaid Costs	-	(75)	(75)	3,053,158
Inventory	-	280	280	-
Deferred Outflows - Pension	-	2,131	2,131	-
Deferred Outflows - OPEB	(27)	(55)	(82)	-
Increase (Decrease) in:				
Accounts Payable and Other Liabilities	10,993	9,364	20,357	-
Claims Payable	-	-	-	447,985
Compensated Absences	-	(127)	(127)	-
Closure/Postclosure Costs	52,056	-	52,056	-
Net Pension Liability	-	28,270	28,270	-
Net OPEB Liability	(7,339)	(14,678)	(22,017)	-
Deferred Inflows - OPEB	(1,606)	(3,212)	(4,818)	-
Deferred Inflows - Pension	-	2,192	2,192	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,391</u>	<u>\$ (209,044)</u>	<u>\$ (205,653)</u>	<u>\$ (77,205)</u>

See accompanying Notes to Financial Statements.

**COUNTY OF COLUSA, CALIFORNIA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

	Investment Trust	Agency Funds
ASSETS		
Cash and Investments	\$ 54,207,448	\$ 1,282,396
Taxes Receivable	-	798,778
Total Assets	54,207,448	2,081,174
LIABILITIES		
Agency Funds Held for Others	-	2,081,174
Total Liabilities	-	\$ 2,081,174
NET POSITION		
Held In Trust for Pool Participants	54,207,448	
Total Net Position	\$ 54,207,448	

See accompanying Notes to Financial Statements.

**COUNTY OF COLUSA, CALIFORNIA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2019**

	Investment Trust
ADDITIONS	
Contributions to Investment Pool	\$ 122,142,942
Interest Earnings	1,314,420
Total Additions	123,457,362
 DEDUCTIONS	
Distributions from Investment Pool	133,478,186
Total Deductions	133,478,186
 CHANGE IN NET POSITION	(10,020,824)
Net Position - Beginning of Year	64,228,272
 NET POSITION - END OF YEAR	\$ 54,207,448

See accompanying Notes to Financial Statements.

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a countywide basis including law and justice, education, detention, social, health, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the County's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the Board of Supervisors. The financial statements of the individual component units may be obtained by writing to the County of Colusa, Auditor-Controller's Office, 546 Jay Street, Colusa, CA 95932.

Blended Component Units

Special Districts Governed by the Board of Supervisors - The County Board of Supervisors is the governing body of a number of special purpose district funds. Among its duties, the County Board of Supervisors approves the budgets, special taxes and fees of these special districts. As an integral part of the County, these special districts are reported as nonmajor special revenue funds in the County's financial statements.

Almond Paradise Lighting	CSA #1 Century Ranch
Thompson Street Lighting	CSA #2 Stonyford
Cross Creek/Whisper Creek Lighting	CSA #2 Reserve Stonyford
Flood Control and Water Conservation District	

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Discretely Presented Component Units

There are no component units of the County which meet the criteria for discrete presentation.

Joint Agencies

The County is a participant in Trindel Insurance Fund (Trindel) the purpose of which is to provide for the creation and operation of a common risk sharing and insurance purchasing pool to be used to meet the obligations of the member counties to provide Worker's Compensation benefits for their employees and to provide public liability and property damage insurance for its members. Trindel is governed by a Joint Powers Agreement between the member counties pursuant to Article 1 (commencing with Section 6500), Chapter 5 of Division 7, Title 1 of the Government Code of California. Complete audited financial statements can be obtained from their office at PO Box 2069, Weaverville, CA 96093. The County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

The County is a member of the California State Association of Counties Excess Insurance Authority (CSAC). CSAC is a joint powers authority organized for the purpose of developing and funding excess insurance programs for member counties. CSAC operates public entity risk pools for workers' compensation, comprehensive liability, property, and medical malpractice, and the pool purchases excess insurance and services for members. CSAC is under the control and direction of a board of directors consisting of representatives of the fifty member counties. Complete audited financial statements can be obtained from CSAC's office at 75 Iron Point Circle, Suite 200, Folsom, California 95630. The County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

The County is a member of the Sites Project Authority, which operates in accordance with a Joint Exercise of Power Agreement. The Authority is a public agency comprised of Colusa County Water District, County of Colusa, County of Glenn, Glenn-Colusa Irrigation District, Maxwell Irrigation District, Orland-Artois Water District, Proberta Water District, Reclamation District No. 108, Tehama-Colusa Canal Authority, Westside Water District, Yolo County Flood Control and Water Conservation District, Dunnigan Water District, Davis Water District, Cortina Water District and LaGrance Water District. The mission of the Authority is to be a proponent and facilitator to design and potentially acquire, construct, manage, govern, and operate the Sites Reservoir and related facilities; to increase and develop water supplies; to improve the operation of the State's water system; and to provide a net improvement in ecosystem and water quality conditions in the Sacramento River system and the Delta. The Authority's governing body is a Board of Directors comprised of one representative of each member. Complete audited financial statements can be obtained by contacting the Authority at 122 Old Highway 99 West, Maxwell, CA 95955. The County is not financially accountable for this organization and therefore, it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the County and its blended component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down are included in the program expense reported for individual functions and activities. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories, each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General fund includes such activities as general government, public protection, health and sanitation, public assistance, education, and recreation services.
- The Health and Human Services fund is a special revenue fund used to account for the majority of the Public Health and Social Services programs, including Health, Environmental Health, Ambulance, Children's Services, Welfare, Senior Nutrition Program, and DHHS Administration.
- The Loan Programs fund is a special revenue fund used to account for the activity for CDBG and HOME loans, provided to the public for economic development and housing rehabilitation.
- The Public Ways and Facilities fund is a special revenue fund used to account for the road and bridge construction and maintenance projects activity within the Road,

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Bridge, and District funds. Airport activity within the Airport Special fund is also accounted for here.

- The Health and Sanitation fund is a special revenue fund used to account for the majority of the health related programs, including Behavioral Health, Air Pollution and numerous other health related special revenue funds.
- The Public Assistance fund is a special revenue fund used to account for the activity related to public assistance programs provided to the public, including welfare, cash aid, etc.

The County reports the following major proprietary fund:

- The Solid Waste fund is an enterprise fund used to account for solid waste activity.

The County reports the following additional fund types:

- Internal Service funds account for the County's self-insurance program, which provides services to other departments on a cost reimbursement basis.
- The Investment Trust funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The assets of these funds are held in trust for other agencies and are part of the County's external pool. The external investment pool is made up of three separate funds: School Districts, Special Districts Governed by Local Boards and Courts. The County is obligated to disburse monies from these funds on demand.
- Agency funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the County include:

Accrued County Trust Funds - Accounts for property tax receipts awaiting apportionment to other local government agencies and investment earnings awaiting apportionment to other local government agencies and County Departmental Agency funds which account for all assets under the control of County departments which are held in a fiduciary capacity.

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within thirty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds include investment trust funds and agency funds. All trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

D. Noncurrent Governmental Assets/Liabilities

Noncurrent governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

E. Cash and Cash Equivalents

For purposes of the accompanying Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when purchased, including cash with fiscal agent and restricted cash, and their equity in the County Treasurer's investment pool, to be cash equivalents.

F. Investments

The County sponsors an investment pool that is managed by the County Treasurer. The County's pool activity is governed by California Government Code Sections 27000.1 and 53607 as well as the County's investment policy.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short term investments are reported at amortized cost, investments in the Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2019, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

Income from pooled investments is allocated quarterly to the individual funds or external participants based on the fund or participant's average daily cash balance in relation to the total pool investments. Interest income earned in agency funds where there are no interest earnings requirements are assigned to the General fund per County Policy. Income from non-pooled investments is recorded based on the specific investments held by the fund.

G. Restricted Cash and Investments

Restricted assets in the governmental funds represent cash and investments held in the Public Assistance fund for the Food Stamp Program of \$100,746 at June 30, 2019.

H. Receivables

Receivables for governmental activities consist mainly of accounts, intergovernmental, and interest. Receivables for business-type activities consist mainly of user fees, intergovernmental, and interest earnings. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

I. Other Assets

Prepaid Costs

Payments made for services that will benefit periods beyond June 30, 2019 are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventory

Inventories are stated at average cost for governmental funds. Inventory recorded by governmental funds includes materials and supplies for the Road Department and the Purchasing & Procurement Department. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Inventory recorded by proprietary funds include supplies for East Park Reservoir. Proprietary fund inventories are recorded as expenses at the time the inventory is consumed.

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Investment in JPA

The County's net investment in the Sites Project Authority, a JPA, is recorded as Investment in JPA on the government-wide financial statements. The net change, is shown as an income or expense item.

J. Loans Receivable

A total of \$2,009,313 was recorded as loans receivable at June 30, 2019. These represent low interest notes and related accrued interest to finance multi-family and single family construction and rehabilitation projects, homebuyer assistance for low income families, as well as business start-up costs. Loan terms are 15 to 55 years with an interest rate at 0% to 5%. The primary source of funding for these loans comes from grants from the federal Community Development Block Grant (CDBG) program and Home Investment Partnerships (HOME) program. The CDBG and HOME grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements.

K. Capital Assets

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks and similar items) are defined by the County as all land regardless of cost and assets with a cost of more than \$5,000 for structures and improvements and equipment, and \$50,000 for infrastructure and an estimated useful life of more than one year. Capital assets are recorded at historical cost, or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight line method over the assets estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	3 to 10 Years
Structures and Improvements	5 to 50 Years
Infrastructure	20 to 75 Years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

L. Property Tax

The State of California's (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per year unless the property is

**COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts.

The County of Colusa is responsible for assessing, collecting, and distributing property taxes in accordance with State law. Property taxes are levied on both secured (real property) and unsecured (personal property other than land and buildings) property. Supplemental property taxes are assessed upon transfer of ownership in property or completion of new construction.

The County levies, bills, and collects taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/Lien Dates	January 1	January 1
Due Dates	November 1 (1st Installment) February 1 (2nd Installment)	July 1
Delinquent Dates	December 10 (1st Installment) April 10 (2nd Installment)	August 31

The County of Colusa apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan”, as prescribed by Sections 4701 through 4717 of the California Revenue and Taxation code. Under the Teeter Plan, the County allocates to local taxing agencies 100% of the secured property taxes billed. In return, the County retains penalties and interest on delinquent secured taxes in the Tax Loss Reserve Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property.

The County is legally required to maintain a minimum balance of 1% of the annual taxes levied on properties participating in the Teeter Plan. The balance in the TLRF was \$377,943 at June 30, 2019. The County’s management believes that any ownership rights to the TLRF the County may have are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County’s Teeter Plan and accounted for in an agency fund.

M. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

N. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

O. Compensated Absences

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation, sick and CTO leaves. In the government-wide financial statements the accrued compensated absences is recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature. In the proprietary funds the accrued compensated absences is recorded as an expense and related liability in the year earned. The County includes its share of social security and Medicare taxes payable on behalf of the employees in the accrual for compensated absences.

P. Pensions

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

Q. 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualifies for reporting in this category. The first item relates to the outflows from changes in the net pension liability and is reportable on the statement of net position. The second item relates to the

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

outflows from changes in the OPEB liability and is reportable on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item relates to the inflows from changes in the net pension liability and is reportable on the statement of net position. The third item relates to the inflows from changes in the OPEB liability and is reportable on the statement of net position.

R. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance/Net Position

The following major enterprise fund had a deficit net position. This deficit is expected to be eliminated through future debt retirement and increased revenues.

Solid Waste	\$ 3,406,555
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The following nonmajor governmental funds had deficit fund balances. These deficit balances are the result of timing differences in revenue accruals or are expected to be eliminated in future years through cost containment.

County Service Areas	\$ 750,628
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The following nonmajor enterprise fund had a deficit net position. This deficit is expected to be eliminated through future net pension liability payments.

East Park Reservoir	\$ 217,497
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**COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 CASH AND INVESTMENTS

The County Treasurer manages, in accordance with California Government Code Section 53600, funds deposited in the investment pool by the County, all County school districts, various districts, and some cities within the County. The County investment pool is not registered with the Securities and Exchange Commission as an investment company. California Government Code and the County's investment policy govern the investment pool activity. The objectives of the policy are in order of priority, safety, liquidity, yield and public trust. The pool attempts to match maturities with planned outlays and maximize the return on investment over various market cycles. Yield is considered only after safety and credit quality have been met, consistent with limiting risk and prudent investment principles.

The Treasury Oversight Committee and the Board of Supervisors monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the Treasury Oversight Committee and the investment pool participants semi-annually. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. All cash and investments are considered part of the investment pool.

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the primary government as an Investment Trust Fund which does not have separate financial reports. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The investments of involuntary participants in the investment pool totaled \$54,207,448 at June 30, 2019.

A. Financial Statement Presentation

As of June 30, 2019, the County's cash and investments are reported in the financial statements as follows:

Primary Government	\$ 34,056,630
Investment Trust Funds	54,207,448
Agency Funds	<u>1,282,396</u>
Total Cash and Investments	<u><u>\$ 89,546,474</u></u>

As of June 30, 2019, the County's cash and investments consisted of the following:

Cash:	
Cash On Hand	\$ 178,841
Deposits in Treasurer's Pool (Less Outstanding Warrants)	<u>76,694</u>
Total Cash	255,535
Investments:	
In Treasurer's Pool	<u>89,290,939</u>
Total Cash and Investments	<u><u>\$ 89,546,474</u></u>

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

B. Cash

At year end, the carrying amount of the County's cash deposits (including amounts in checking accounts and money market accounts) was \$76,694 and the bank balance was \$3,852,734. The difference between the bank balance and the carrying amount represents outstanding warrants and wire transfers and deposits in transit. In addition, the County had cash on hand of \$178,841.

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The County's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105% to 150% of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the County's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits in excess of the \$250,000 insured amount are collateralized.

C. Investments

Pursuant to Section 53646 of the Government Code, the County prepares an investment policy annually and presents it to the Board of Supervisors for review and approval. The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law.

Under the provisions of the County's investment policy the County may invest or deposit in the following:

- Local Agency Bonds
- United State Treasury Notes, Bonds, Bills, or Certificates of Indebtedness
- California State Registered Warrants, Treasury Notes, and Bonds
- Local Agency Obligations
- Securities of the Federal Government or its Agencies
- Banker's Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Reverse Repurchase Agreements
- Medium Term Corporate Notes
- Mutual Funds
- Investments Permitted by Provision in Debt Agreements
- Asset Secured Indebtedness
- Collateralized Mortgage Obligations
- Contracted Non-Negotiable Time Deposits
- Local Agency Investment Fund

**COUNTY OF COLUSA, CALIFORNIA
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Fair Value of Investments

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices, and
- Level 3: Unobservable inputs

The County's position in external investment pools is, in its self, regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the County's investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2019, the County had the following recurring fair value measurements:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value				
Government Agencies	\$ 43,212,352	\$ -	\$ 43,212,352	\$ -
Municipal Bonds	3,200,412	-	3,200,412	-
Total Investments Measured at Fair Value	46,412,764	\$ -	\$ 46,412,764	\$ -
Investments in External Investment Pool				
Local Agency Investment Fund (LAIF)	42,878,175			
Total Investments	\$ 89,290,939			

Interest Rate Risk

Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit the exposure to fair value losses from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations.

As of June 30, 2019, the County had the following investments:

Investment Type	Interest Rates	Maturities			Fair Value	Weighted Average Maturity (Years)
		0 to 1 Year	1 to 5 Years	Over 5 Years		
Government Agencies	Variable	\$ 3,987,900	\$ 8,962,275	\$ 30,262,177	\$ 43,212,352	2.89
Municipal Bonds	2.62 to 3.10%	-	1,115,752	2,084,660	3,200,412	6.43
LAIF	Variable	42,878,175	-	-	42,878,175	-
Total Investments		\$ 46,866,075	\$ 10,078,027	\$ 32,346,837	\$ 89,290,939	-

**COUNTY OF COLUSA, CALIFORNIA
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Credit Risk

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. The County's investment policy sets specific parameters by the type of investment to be met at the time of purchase. Presented below is the minimum rating required by (where applicable) the California Government Code or the County's investment policy, and the actual rating as of year-end for each investment type.

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Government Agencies	-	-	-	48.40%
Municipal Bonds	N/A	AAA	Aaa	3.58%
LAIF	N/A	Unrated	Unrated	48.02%
Total				<u>100.00%</u>

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of a depository institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the County requires that all of its managed investments be held in safekeeping by the Treasurer's bank or its safekeeping agent.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The County's investment policy contains limitations on the amount that can be invested in any one issuer. The County did not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) at June 30, 2019, that represent 5% or more of total County investments.

D. Investment in External Investment Pools

The County of Colusa maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2019, the County's investment in LAIF valued at amortized cost was \$42,878,174 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$105.74 billion. Of that amount, 98.23% is invested in non-derivative financial products and 1.77% in structured notes and asset-backed securities.

**COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

E. County Investment Pool Condensed Financial Information

The following are condensed statements of net position and changes in net position for the Treasurer's Pool at June 30, 2019:

Statement of Net Position

Equity of internal pool participants	35,339,026
Equity of external pool participants	54,207,448
Net Position at June 30, 2019	<u>\$ 89,546,474</u>

Statement of Changes in Net Position

Net Position at July 1, 2018	\$ 97,513,078
Net Changes in Investments by Pool Participants	(7,966,604)
Net Position at June 30, 2019	<u>\$ 89,546,474</u>

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2019
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 749,873	\$ -	\$ -	\$ -	\$ 749,873
Construction In Progress	4,120,678	2,178,741	-	(4,956,462)	1,342,957
Total Capital Assets, Not Being Depreciated	<u>4,870,551</u>	<u>2,178,741</u>	<u>-</u>	<u>(4,956,462)</u>	<u>2,092,830</u>
Capital Assets, Being Depreciated:					
Infrastructure	56,316,670	-	-	4,956,462	61,273,132
Structures and Improvements	24,849,575	77,356	-	-	24,926,931
Equipment	10,838,652	475,586	(13,631)	-	11,300,607
Software	339,385	-	-	-	339,385
Total Capital Assets, Being Depreciated	<u>92,344,282</u>	<u>552,942</u>	<u>(13,631)</u>	<u>4,956,462</u>	<u>97,840,055</u>
Less Accumulated Depreciation for:					
Infrastructure	(14,970,263)	(1,225,452)	-	-	(16,195,715)
Structures and Improvements	(14,997,073)	(701,464)	-	-	(15,698,537)
Equipment	(7,854,343)	(615,691)	6,815	-	(8,463,219)
Software	(339,385)	-	-	-	(339,385)
Total Accumulated Depreciation	<u>(38,161,064)</u>	<u>(2,542,607)</u>	<u>6,815</u>	<u>-</u>	<u>(40,696,856)</u>
Total Capital Assets, Being Depreciated, Net	<u>54,183,218</u>	<u>(1,989,665)</u>	<u>(6,816)</u>	<u>4,956,462</u>	<u>57,143,199</u>
Governmental Activities Capital Assets, Net	<u>\$ 59,053,769</u>	<u>\$ 189,076</u>	<u>\$ (6,816)</u>	<u>\$ -</u>	<u>\$ 59,236,029</u>

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Business-Type Activities				
Capital Assets, Being Depreciated:				
Structures and Improvements	\$ 295,857	\$ -	\$ -	\$ 295,857
Equipment	82,951	-	-	82,951
Total Capital Assets, Being Depreciated	<u>378,808</u>	<u>-</u>	<u>-</u>	<u>378,808</u>
Less Accumulated Depreciation for:				
Structures and Improvements	(218,769)	(7,709)	-	(226,478)
Equipment	(82,950)	-	-	(82,950)
Total Accumulated Depreciation	<u>(301,719)</u>	<u>(7,709)</u>	<u>-</u>	<u>(309,428)</u>
Total Capital Assets, Being Depreciated, Net	<u>77,089</u>	<u>(7,709)</u>	<u>-</u>	<u>69,380</u>
Business-Type Activities Capital Assets, Net	<u>\$ 77,089</u>	<u>\$ (7,709)</u>	<u>\$ -</u>	<u>\$ 69,380</u>

Depreciation

Depreciation expense was charged to governmental functions as follows at June 30, 2019:

General Government	\$ 350,520
Public Protection	567,297
Health and Sanitation	122,186
Public Assistance	52,843
Education	11,918
Public Ways and Facilities	1,424,467
Recreation and Culture	13,376
Total Depreciation Expense - Governmental Functions	<u>\$ 2,542,607</u>

Depreciation expense was charged to business-type functions as follows at June 30, 2019:

Solid Waste	<u>\$ 7,709</u>
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Construction in Progress

Construction in progress related primarily to work performed on bridge projects and road projects.

NOTE 5 INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2019:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 942,823	\$ -
Health and Sanitation	-	197,449
Nonmajor Governmental Funds	-	745,374
Total	<u>\$ 942,823</u>	<u>\$ 942,823</u>

Transfers

**COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
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Transfers are indicative of funding for capital projects, lease payments or debt service and reallocations of special revenues. The following are the interfund transfer balances as of June 30, 2019:

	Transfer In	Transfer Out
General Fund	\$ 1,679,797	\$ 2,224,049
Health and Human Services	8,160,036	9,520
Loan Programs	215,113	52,430
Public Ways and Facilities	1,440,133	-
Health and Sanitation	1,293,239	3,993,159
Public Assistance	22	5,922,712
Nonmajor Governmental Funds	156,163	842,633
Nonmajor Enterprise Funds	100,000	-
Total	<u>\$ 13,044,503</u>	<u>\$ 13,044,503</u>

NOTE 6 UNEARNED/UNAVAILABLE REVENUE

At June 30, 2019, components of unearned and unavailable revenues were as follows:

	Unearned	Unavailable	Total
General Fund			
State, Federal, and Other Agency Grant Revenue Receivable	\$ 200	\$ 1,680,760	\$ 1,680,960
Health and Human Services			
State, Federal, and Other Agency Grant Revenue Receivable	-	295,625	295,625
Loan Programs			
State, Federal, and Other Agency Grant Revenue Receivable	-	1,427,305	1,427,305
Public Ways and Facilities			
State, Federal, and Other Agency Grant Revenue Receivable			
Subdivision Plan Review Fees Received in Advance	61,116	691,041	752,157
Health and Sanitation			
State, Federal, and Other Agency Grant Revenue Receivable	-	739,934	739,934
Public Assistance			
State, Federal, and Other Agency Grant Revenue Receivable	-	298,325	298,325
Nonmajor Governmental Funds			
State and Grant Revenue Receivable	-	636,791	636,791
Total Unearned/Unavailable Revenue	<u>\$ 61,316</u>	<u>\$ 5,769,781</u>	<u>\$ 5,831,097</u>

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 7 LONG-TERM LIABILITIES

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

Type of Indebtedness	Balance			Balance June 30, 2019	Amounts Due Within One Year
	July 1, 2018	Additions	Retirements		
Governmental Activities					
Loans	\$ 114,480	\$ -	\$ (5,724)	\$ 108,756	\$ 5,724
Capital Leases	108,241	-	(35,334)	72,907	35,835
Compensated Absences	2,107,655	2,085,939	(2,209,898)	1,983,696	722,026
Total Governmental Activities	<u>\$ 2,330,376</u>	<u>\$ 2,085,939</u>	<u>\$ (2,250,956)</u>	<u>\$ 2,165,359</u>	<u>\$ 763,585</u>
Business-Type Activities					
Compensated Absences	\$ 3,757	\$ 8,669	\$ (8,796)	\$ 3,630	\$ -
Closure/Postclosure	4,128,413	94,881	(42,825)	4,180,469	42,825
Total Business-Type Activities	<u>\$ 4,132,170</u>	<u>\$ 103,550</u>	<u>\$ (51,621)</u>	<u>\$ 4,184,099</u>	<u>\$ 42,825</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. The capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred. The closure/postclosure liability will be liquidated by the Solid Waste fund.

Individual issues of debt payable outstanding at June 30, 2019 are as follows:

Governmental Activities

Loans:

California Department of Water Resources loan issued April 2, 2004 in the amount of \$171,720 and payable in annual installments of \$5,724, with an interest rate of 0.00% and maturity on July 1, 2038. The loan was used for CSA #2 water system improvements.

\$ 108,756

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, capital leases which are reported in Note 8 and landfill postclosure costs which are reported in Note 9.

Year Ending June 30	Loans		
	Principal	Interest	Total
2020	\$ 5,724	\$ -	\$ 5,724
2021	5,724	-	5,724
2022	5,724	-	5,724
2023	5,724	-	5,724
2024	5,724	-	5,724
2025 - 2029	28,620	-	28,620
2030 - 2034	28,620	-	28,620
2035 - 2038	22,896	-	22,896
Total	<u>\$ 108,756</u>	<u>\$ -</u>	<u>\$ 108,756</u>

**COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 LEASES

Capital Leases

The County has entered into certain capital lease agreements under which the related structures and/or equipment will become the property of the County when all terms of the lease agreements are met.

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2018
Governmental Activities	3.20%	\$ 72,907

Structures, improvements, equipment, and related accumulated depreciation under capital lease are as follows at June 30, 2019:

	Governmental Activities
Equipment	236,000
Less: Accumulated Depreciation	(168,571)
Net Value	\$ 67,429

As of June 30, 2019, capital lease annual amortization is as follows:

Year Ending June 30	Governmental Activities
2020	\$ 38,166
2021	38,166
Total Requirements	76,332
Less: Interest	(3,425)
Present Value of Remaining Payments	\$ 72,907

NOTE 9 CLOSURE/POSTCLOSURE

The County of Colusa is responsible for one operating and one closed landfill site. State and federal laws and regulations require the County to perform certain closure and postclosure maintenance and monitoring functions at the site for 30 years after closure. GASB Statement No. 18 requires a portion of these closure and postclosure care costs be reported as an operating expense in each period based on landfill capacity used as of each statement of net position date.

The total liability of \$4,180,469 is reported as a closure/postclosure liability in the Solid Waste enterprise fund at June 30, 2019. Of this total liability, closure costs for Evans Road site is considered complete and therefore zero, and closure costs for Stonyford site is calculated based on usage of approximately 64% of total estimated site capacity and is \$718,116. The corrective action liability for Evans Road is \$1,259,500 and for Stonyford is \$766,556. The remainder of the total liability is for postclosure. Evans Road postclosure costs are estimated at \$556,722, based on usage of 100%. Stonyford postclosure costs are

COUNTY OF COLUSA, CALIFORNIA
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estimated at \$922,407, based on usage of approximately 64%. The estimated remaining life of the landfill is 12 years.

The County will recognize the remaining estimated cost of closure as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by State and Federal laws and regulations to provide financial assurance that appropriate resources will be available to finance closure and postclosure care costs in the future. At June 30, 2019, net position of \$673,465 was held for funding purposes for Stonyford Landfill and \$26,515 was held for funding purposes for Evans Landfill. The County has approved a pledge of revenue to fund Evans Landfill postclosure costs, however the Solid Waste fund has a total deficit net position of \$3,406,555. The County expects that future inflation costs will be paid from interest earnings on annual contributions to the closure reserve. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

NOTE 10 NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- **Unrestricted net position** - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2019, fund balance for governmental funds is made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) 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 (e.g., inventories and prepaid amounts).
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the County’s highest level of decision-making authority. The Board of Supervisors is the highest level of decision making authority for the County that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the County’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the County’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

**COUNTY OF COLUSA, CALIFORNIA
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The fund balances for all major and nonmajor governmental funds as of June 30, 2019 were distributed as follows:

	General	Health and Human Services	Loan Programs	Public Ways and Facilities	Health and Sanitation	Public Assistance	Other Governmental Funds	Total
Nonspendable:								
Prepaid Costs	\$ 37,700	\$ 11,504	\$ -	\$ -	\$ 1,745	\$ -	\$ 5,004	\$ 55,953
Inventory	2,432	-	-	90,956	-	-	-	93,388
Subtotal	<u>40,132</u>	<u>11,504</u>	<u>-</u>	<u>90,956</u>	<u>1,745</u>	<u>-</u>	<u>5,004</u>	<u>149,341</u>
Restricted for:								
General	-	-	1,690,262	-	-	-	382,022	2,072,284
Public Protection	2,549,471	-	-	-	-	-	3,277,668	5,827,139
Health and Sanitation	-	250	-	-	9,158,178	-	-	9,158,428
Public Works	-	-	-	3,842,915	-	-	-	3,842,915
Public Assistance	7,297	-	-	-	-	3,611,886	-	3,619,183
Education	-	-	-	-	-	-	264,784	264,784
Parks and Recreation	-	-	-	-	-	-	4,662	4,662
Capital Projects	-	-	-	-	-	-	909,772	909,772
Subtotal	<u>2,556,768</u>	<u>250</u>	<u>1,690,262</u>	<u>3,842,915</u>	<u>9,158,178</u>	<u>3,611,886</u>	<u>4,838,908</u>	<u>25,699,167</u>
Committed to:								
Public Works	-	-	-	2,879,711	-	-	-	2,879,711
County Roads	-	-	-	289,137	-	-	-	289,137
Bridges	-	-	-	56,630	-	-	-	56,630
Stonyford Maintenance	-	-	-	-	-	-	14,683	14,683
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,225,478</u>	<u>-</u>	<u>-</u>	<u>14,683</u>	<u>3,240,161</u>
Assigned to:								
General	7,562,365	-	-	-	-	-	-	7,562,365
Subtotal	<u>7,562,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,562,365</u>
Unassigned								
	-	(11,294)	-	-	(198,870)	(298,406)	(1,373,985)	(1,882,555)
Total	<u>\$ 10,159,265</u>	<u>\$ 460</u>	<u>\$ 1,690,262</u>	<u>\$ 7,159,349</u>	<u>\$ 8,961,053</u>	<u>\$ 3,313,480</u>	<u>\$ 3,484,610</u>	<u>\$ 34,768,479</u>

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Supervisors has adopted a fund balance policy for financial statement reporting. The policy establishes procedures for reporting fund balance classifications and establishes a hierarchy of fund balance expenditures.

COUNTY OF COLUSA, CALIFORNIA
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NOTE 12 PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the County's Safety cost sharing multiple employer defined benefit pension plan and Miscellaneous agent multiple-employer defined benefit pension plan, Employee Pension Plan, administered by the California Public Employee's Retirement System (CalPERS), which acts as a common investment and administrative agent for participating member employers. Benefit provisions under the Plan are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the County added retirement tiers for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the County's retirement costs.

Summary of Rate Tiers and Eligible Participants

Open for New Enrollment	
Miscellaneous PEPRA	Miscellaneous Members Hired on or After January 1, 2013
Safety - County Peace Officer PEPRA Tier 2	Safety County Peace Officers Hired on or After October 1, 2016
Closed to New Enrollment	
Miscellaneous	Miscellaneous Employees Hired Before January 1, 2013
Safety - County Peace Officer	Safety County Peace Officers Hired Before January 1, 2013
Safety - County Peace Officer PEPRA	Safety County Peace Officers Hired on or After January 1, 2013 and before October 1, 2016

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

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Each Rate Tiers' specific provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Benefit Formula	Retirement Age	Monthly Benefits as a % of Eligible Compensation
Miscellaneous	3.0% at 60	50 to 60 Years	2.0% to 3.0%
Miscellaneous PEPRA	2.5% at 67	52 to 67 Years	1.0% to 2.5%
Safety County Peace Officer	3.0% at 50	50 Years	3.0%
Safety County Peace Officer PEPRA	2.7% at 57	50 to 57 Years	2.0% to 2.7%
Safety County Peace Officer PEPRA Tier 2	2.5% at 57	50 to 57 Years	2.0% to 2.5%

Employees Covered

At June 30, 2019, the following employees were covered by the benefit terms for the Miscellaneous Rate Tier:

	Inactive Employees or Beneficiaries Currently Receiving Benefits	Inactive Employees Entitled to but Not Yet Receiving Benefits	Active Employees
Miscellaneous	365	308	304

Contributions

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

	Employer Contribution Rates	Employee Contribution Rates	Employer Paid Member Contribution Rates
Miscellaneous	30.401%	8.000%	0.000%
Miscellaneous PEPRA	30.401%	6.250%	0.000%
Safety County Peace Officer	38.371%	9.000%	0.000%
Safety County Peace Officer PEPRA	29.956%	12.000%	0.000%
Safety Peace Officer PEPRA Tier 2	29.837%	11.000%	0.000%

A. Net Pension Liability

The County's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Actuarial Assumptions

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

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Varies by entry-age and service
Mortality	Derived using CalPERS membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period 1997 to 2011 including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

Change of Assumptions

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB 68 section.

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

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

COUNTY OF COLUSA, CALIFORNIA
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JUNE 30, 2019

then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 to 10(a)	Real Return Years 11 +(b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)
Total	<u>100.0%</u>		

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

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

B. Changes in the Net Pension Liability

As of June 30, 2019, the changes in the net pension liability of the agent multiple-employer defined benefit pension plan is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Miscellaneous:			
Balance at June 30, 2018	\$ 146,678,069	\$ 89,885,255	\$ 56,792,814
Changes in the Year:			
Service Cost	3,225,030	-	3,225,030
Interest on the Total Pension Liability	10,402,053	-	10,402,053
Changes of assumptions	(936,654)	-	(936,654)
Differences Between Expected and Actual Experience	2,159,227	-	2,159,227
Plan to plan resource movement	-	(1,011)	1,011
Contribution - Employer	-	4,331,786	(4,331,786)
Contribution - Employee	-	1,245,498	(1,245,498)
Net Investment Income	-	7,594,970	(7,594,970)
Benefit Payments, Including Refunds of Employee Contributions	(7,112,474)	(7,112,474)	-
Administrative Expense	-	(139,614)	139,614
Other Miscellaneous	-	(265,129)	265,129
Change in allocation to independent entities Net Changes	(473,670)	(290,269)	(183,401)
	<u>7,263,512</u>	<u>5,363,757</u>	<u>1,899,755</u>
Balance at June 30, 2019	<u>\$ 153,941,581</u>	<u>\$ 95,249,012</u>	<u>58,692,569</u>

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As of June 30, 2019, the County reported net pension liabilities for its proportionate share of the net pension liability of the cost sharing multiple-employer defined benefit pension plan as follows:

	Proportionate Share of Net Pension Liability
Safety County Peace Officer	\$ 14,246,772

The County's net pension liability for the cost sharing multiple-employer defined benefit pension plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share of the net pension liability for the cost sharing multiple-employer defined benefit pension plan as of June 30, 2017 and 2018 was as follows:

	Proportion June 30, 2017	Proportion June 30, 2018	Change Increase (Decrease)
Safety County Peace Officer	0.23531%	0.24281%	0.00750%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability for the Plan as of the measurement date, calculated using the discount rate for the Plan, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
Miscellaneous	\$ 78,380,903	\$ 58,692,569	\$ 42,331,871
Safety County Peace Officer	22,033,749	14,246,772	7,866,738

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**COUNTY OF COLUSA, CALIFORNIA
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C. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

Miscellaneous Plan

For the year ended June 30, 2019, the County recognized pension expense of \$8,946,160. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to the Measurement Date	\$ 4,801,186	\$ -
Changes of Assumptions	2,626,494	643,950
Differences Between Expected and Actual Experience	1,627,025	5,845
Net Differences Between Projected and Actual Earnings on Plan Investments	35,017	-
Total	<u>\$ 9,089,722</u>	<u>\$ 649,795</u>

\$4,801,186 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2020	\$ 4,213,850
2021	574,049
2022	(894,667)
2023	(254,491)

**COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

Safety Plan

For the year ended June 30, 2019, the County recognized pension expense of \$2,511,155. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to the Measurement Date	\$ 1,555,765	\$ -
Changes of Assumptions	1,397,857	188,596
Differences Between Expected and Actual Experience	306,115	1,161
Net Differences Between Projected and Actual Earnings on Plan Investments	96,457	-
Adjustment Due to Differences in Proportions	449,040	27,661
Difference Between County Contributions and Proportionate Share of Contributions	-	331,293
Total	\$ 3,805,234	\$ 548,711

\$

1,555,765 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	Amount
2020	\$ 1,304,014
2021	811,177
2022	(315,753)
2023	(98,680)

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The County of Colusa Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the County. The Plan provides healthcare benefits to eligible retirees and their dependents through the California Public Employees' Retirement System healthcare program (PEMHCA). The Plan provides lifetime healthcare insurance coverage for eligible retirees and their dependents through the County's group medical insurance plan, which covers both active and retired participants. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the County and its employees.

The County offers the same medical plans to its retirees as to its active employees, with the exception that once a retiree becomes eligible for Medicare (that is, reaches age 65), he or she must join a Medicare HMO or a Medicare Supplement plan, with Medicare becoming the primary payer.

COUNTY OF COLUSA, CALIFORNIA
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Employees become eligible to retire and receive County-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service (age 52 and 5 years for PEPRA Miscellaneous employees). Benefits are paid for the lifetime of the retiree and spouse or surviving spouse (and dependent children up to the age of 26). The County's contribution on behalf of all eligible retirees and surviving spouses is the same as its contribution for active employees (\$136.00 for 2019 and \$139 for 2020, indexed by the Medical CPI thereafter).

In addition to the PEMHCA minimum, the County pays \$128.26 per month to a third party administrator, which in turn pays this amount to eligible retirees participating in PEMHCA through a qualified Health Reimbursement Arrangement. Amounts may not be carried forward from one year to the next and are not credited with interest. Because the amount is paid only to PEMHCA retirees, and because the amount together with the PEMHCA minimum is in all cases less than applicable PEMHCA premiums, no proof of payment is required, and all amounts are treated as being used to defray eligible medical expenses. This benefit meets all the GASB requirements of a defined benefit OPEB and has, therefore, been included in the County's OPEB liabilities. The \$128.26 is expected to be frozen for all future years, and applied to both current retirees as well as active employees hired before January 1, 2013 and retiring or expected to retire after that date. Employees hired on or after January 1, 2013 receive the PEMHCA minimum only. As per the most recent negotiated MOU between the County and the employees, as the PEMHCA minimum increases each year for the active employees the additional \$128.26 will be reduced by an equal amount in order to keep the total benefit amount to \$253.26. For retirees, no offsetting adjustment is made to the \$128.26.

B. Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	172
Inactive Employees Entitled To, But Not Yet Receiving Benefits	-
Active Employees	346
Total	518

C. Contributions

During the annual budget adoption process the Board of Supervisors authorizes a set monthly contribution amount for the coming year that will be charged to cover OPEB liabilities. For the year ended June 30, 2019, the County's contribution amount was \$450 per employee per month. Employees are not required to contribute to the plan.

**COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

D. Actuarial Assumptions

The County's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	July 1, 2017
Contribution Policy	County contributes \$400 per employee per month
Discount Rate	5.0% at June 30, 2019 and 2018 3.60% at June 30, 2017
Expected Long-Term Rate of Return on Investments	5.61%
General Inflation	2.25% per annum
Mortality, Retirement, Disability, Termination	RP-2014 Employee Health Annuitant Mortality Tables
Salary Increases	Aggregate - 3%
Healthcare Trend	7.00% for 2017/18, decreasing to 5.00% for 2019/20 and after
Medical CPI	3.50%
Retirees' Share of Cost	Retirees pay the balance of the premium after statutory minimum benefit and frozen supplemental amount, if applicable, contributed by the County

E. Target Asset Allocation

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	30.0%	7.51%
Fixed Income	65.0	4.58
Cash	5.0	3.00
Total	<u>100.0%</u>	

**COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

F. Changes in the OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance - June 30, 2018	\$ 15,324,515	\$ 10,184,769	\$ 5,139,746
Change in the Year:			
Service Cost	462,039	-	462,039
Interest on Total OPEB Liability	769,128	-	769,128
Benefit Changes	-	-	-
Differences Between Expected and Actual Experience	13,896	-	13,896
Changes of Assumptions	-	-	-
Contributions - Employer	-	2,714,221	(2,714,221)
Net Investment Income	-	783,513	(783,513)
Benefit Payments, Including Refunds of Employee Contributions	(838,227)	(838,227)	-
Administrative Expenses	-	(24,875)	24,875
Other Charges	-	(27,821)	27,821
Changes in Proportion	15,114	10,045	5,069
Net Changes	<u>421,950</u>	<u>2,616,856</u>	<u>(2,194,906)</u>
Balance - June 30, 2019	<u>\$ 15,746,465</u>	<u>\$ 12,801,625</u>	<u>\$ 2,944,840</u>

G. Discount Rate and Trend Sensitivity

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate		
	1% Decrease 4.00%	Current Rate 5.00%	1% Increase 6.00%
Net OPEB Liability (Asset)	\$ 4,988,429	\$ 2,944,840	\$ 1,262,688

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Trend Rate		
	1% Decrease	Current Trend	1% Increase
Net OPEB Liability (Asset)	\$ 2,531,850	\$ 2,944,840	\$ 3,425,679

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

H. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the County recognized OPEB expense of \$162,795. As of fiscal year ended June 30, 2019, the County reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Assumptions	\$ -	\$ 1,876,534
Differences Between Expected and Actual Experience	14,187	-
Net Difference Between Projected and actual Earnings on OPEB Plan Investments	-	182,552
Total	\$ 14,187	\$ 2,059,086

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB expense will be recognized as follows:

Year Ending June 30	Amount
2020	\$ (570,269)
2021	(570,269)
2022	(570,269)
2023	(335,481)
2024	1,389

NOTE 14 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has a risk management fund (Insurance) which is an Internal Service fund to account for and finance self-insured risks of loss. The County is a member of the Trindel Insurance Fund. The County is self-insured with Trindel Insurance Fund for liability and property claims for the first \$100,000 and \$25,000, respectively. The County is insured with CSAC-Excess Insurance Authority for excess liability claims for the next \$29,900,000. The County is also insured with CSAC-Excess Insurance Authority for excess property claims for the next \$300,000,000. There is a \$1,000 deductible for property damage. The County is self-insured for Worker's Compensation claims for the first \$300,000 with Trindel Insurance Fund and insured with CSAC-Excess Insurance Authority up to statutory limits. Additionally, the County has a \$10,000,000 Faithful Performance Blanket bond and Crime Bond with a \$5,000 deductible.

Actual claims unpaid as of June 30, 2019, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2019 was \$1,634,429.

All funds of the County participate in the program and make payments to the Insurance fund based on estimates of the amounts needed to pay prior and current year claims. At June 30,

**COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
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2019, the Insurance fund equity was \$1,887,480. The claims liability of \$1,634,429 reported in the fund at June 30, 2019 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably determined.

Changes in the County's claims liability amount for fiscal years 2018, and 2019 were as follows:

Fiscal Year Ended June 30	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
2018	\$ 946,800	\$ 1,591,689	\$ (1,352,045)	\$ 1,186,444
2019	1,186,444	1,264,924	(816,939)	1,634,429

The ultimate settlement of specific claims against the County cannot presently be determined and no provision for any other liability that may result has been made in the financial statements.

NOTE 15 OTHER INFORMATION

A. Commitments and Contingencies

The County has signed agreements to construct various capital improvements subsequent to June 30, 2019. The balance owed on the commitments at June 30, 2019 was approximately \$10,030.

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

The County is involved in several lawsuits. Due to the nature of the cases, County Counsel is unable to estimate at this time the probability of favorable or unfavorable outcomes. Therefore, no provision has been made in the financial statements for a loss contingency.

The County had no encumbrances at June 30, 2019.

B. Subsequent Event

Subsequent to year end, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Management believes the County of Colusa is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and

COUNTY OF COLUSA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

During the period from January 1, 2020 through March 23, 2020, both domestic and international equity markets have experienced significant declines. These losses are not reflected in the financial statements as of and for the year ended June 30, 2019, as these events occurred subsequent to year end and are still developing.

NOTE 16 SPECIAL ITEM

Loan Receivable Write-Off

In June 2012, the Colusa County Board of Supervisors approved an application for funding from the California Department of Housing and Community Development (HCD) totaling \$5,016,216 for the purposes of providing a loan to Premier Mushrooms to restructure its debt in order to retain existing jobs. In an effort to restructure Premier Mushroom's business operations and financial conditions, Premier Mushroom conducted a nationwide search for a financial partner beginning in September of 2018, resulting in a \$15.5 million offer contingent upon acquiring Premier Mushroom's assets free and clear of any encumbrances. The \$15.5 million offer was significantly less than the approximate \$33.5 million in liabilities owed by Premier Mushroom to various creditors of which over \$24 million was owed to Farm Credit West which held a senior, first position in front of all other debt including the County's \$4.6 million loan pursuant to the conditions imposed by HCD. As a condition of the sale the County and other junior debt holders were asked to release all financial interest in debt obligations. On December 17, 2019 the Colusa County Board of Supervisors approved a recommendation to release the County's financial interest in the \$4.6 million loan without loan repayment and accept a \$50,000 payment to facilitate the release. As such, it has been determined that the Premier Mushroom loan is uncollectible and has been written-off as of June 30, 2019.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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**COUNTY OF COLUSA, CALIFORNIA
COUNTY PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2019
LAST 10 YEARS***

Reporting Fiscal Year Measurement Date	2014/15 <u>2013/14</u>	2015/16 <u>2014/15</u>	2016/17 <u>2015/16</u>	2017/18 <u>2016/17</u>	2018/19 <u>2017/18</u>
Miscellaneous					
Total Pension Liability					
Service Cost	\$ 2,704,431	\$ 2,835,963	\$ 2,907,948	\$ 3,284,579	\$ 3,361,416
Interest	8,642,328	9,398,938	9,864,575	10,291,984	10,841,954
Changes of Assumptions	-	(2,195,321)	-	8,212,704	(976,265)
Differences Between Expected and Actual Experience	-	3,871,388	(188,876)	445,760	2,250,540
Benefit Payments, Including Refunds of Employee Contributions	(5,191,655)	(5,723,718)	(6,266,789)	(6,981,526)	(7,413,259)
Net Change in Total Pension Liability	<u>6,155,104</u>	<u>8,187,250</u>	<u>6,316,858</u>	<u>15,253,501</u>	<u>8,064,386</u>
Total Pension Liability - Beginning	<u>116,474,637</u>	<u>122,629,741</u>	<u>130,816,991</u>	<u>137,133,849</u>	<u>152,387,350</u>
Total Pension Liability - End (a)	<u>\$ 122,629,741</u>	<u>\$ 130,816,991</u>	<u>\$ 137,133,849</u>	<u>\$ 152,387,350</u>	<u>\$ 160,451,736</u>
Plan Fiduciary Net Position					
Net Plan to Plan Resource Movement	\$ -	\$ -	\$ -	\$ (25,446)	\$ (1,054)
Contributions - Employer	3,207,861	3,526,565	3,406,419	3,991,801	4,514,976
Contributions - Employee	1,160,801	1,193,080	1,252,737	1,273,965	1,298,170
Net Investment Income	12,792,537	1,928,553	479,549	9,758,623	7,916,160
Benefit Payments, Including Refunds of Employee Contributions	(5,191,655)	(5,723,718)	(6,266,789)	(6,981,526)	(7,413,259)
Administrative Expense	-	(97,562)	(52,823)	(126,224)	(145,518)
Other Miscellaneous Income/(Expense)	-	-	-	-	(276,341)
Net Change in Plan Fiduciary Net Position	<u>11,969,544</u>	<u>826,918</u>	<u>(1,180,907)</u>	<u>7,891,193</u>	<u>5,893,134</u>
Plan Fiduciary Net Position - Beginning	<u>73,877,190</u>	<u>85,846,734</u>	<u>86,673,652</u>	<u>85,492,745</u>	<u>93,383,938</u>
Plan Fiduciary Net Position - End (b)	<u>\$ 85,846,734</u>	<u>\$ 86,673,652</u>	<u>\$ 85,492,745</u>	<u>\$ 93,383,938</u>	<u>\$ 99,277,072</u>
Net Pension Liability - End (a)-(b)	<u>\$ 36,783,007</u>	<u>\$ 44,143,339</u>	<u>\$ 51,641,104</u>	<u>\$ 59,003,412</u>	<u>\$ 61,174,664</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	70.00%	66.26%	62.34%	61.28%	61.87%
Covered Payroll	\$ 14,088,513	\$ 15,421,228	\$ 16,175,037	\$ 16,652,704	\$ 17,175,495
Net Pension Liability as a Percentage of Covered Payroll	261.09%	286.25%	319.26%	354.32%	356.17%

* The County implemented GASB 68 for fiscal year June 30, 2015; therefore, only five years are shown.

Note: The County of Colusa participates in an agent multiple-employer defined benefit pension plan as disclosed in footnote 13 to the financial statements. However, the full plan also includes the Courts and Local Transportation Commission which are considered to be external entities to the County. As such, these external entities have been excluded from the County's portion of net pension liability. The schedule of net pension liability and related ratios above includes the Courts and Local Transportation Commission whose proportion of the net pension liability was \$2,482,096 or 4.06%. The County's portion of net pension liability was \$58,692,568 or 95.94% at June 30, 2019.

**COUNTY OF COLUSA, CALIFORNIA
COUNTY PENSION PLAN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2019
LAST 10 YEARS***

Reporting Fiscal Year	2014/15	2015/16	2016/17	2017/18	2018/19
Measurement Date	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
Safety					
Proportion of the Net Pension Liability	0.21516%	0.22578%	0.23481%	0.23531%	0.24281%
Proportionate Share of the Net Pension Liability	\$ 8,070,777	\$ 9,303,212	\$ 12,161,422	\$ 14,060,370	\$ 14,246,772
Covered Payroll	\$ 4,179,276	\$ 3,931,894	\$ 4,083,507	\$ 4,623,746	\$ 4,739,340
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	193.11%	236.61%	297.82%	304.09%	300.61%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.83%	77.27%	72.69%	71.74%	73.39%

* The County implemented GASB 68 for fiscal year June 30, 2015; therefore, only five years are shown.

**COUNTY OF COLUSA, CALIFORNIA
COUNTY PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
YEAR ENDED JUNE 30, 2019
LAST 10 YEARS***

Reporting Fiscal Year	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
Miscellaneous					
Contractually Required Contributions (Actuarially Determined)	\$ 2,878,968	\$ 3,406,419	\$ 3,991,800	\$ 4,217,352	\$ 4,801,186
Contributions in Relation to Actuarially Determined Contributions	<u>(2,878,968)</u>	<u>(3,406,419)</u>	<u>(3,991,800)</u>	<u>(4,217,352)</u>	<u>(4,801,186)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered Payroll	 \$ 15,421,228	 \$ 16,385,513	 \$ 16,652,704	 \$ 17,175,495	 \$ 17,347,250
Contributions as a Percentage of Covered Payroll	18.67%	20.79%	23.97%	24.55%	27.68%
Safety					
Contractually Required Contributions (Actuarially Determined)	\$ 1,767,706	\$ 1,099,473	\$ 1,257,559	\$ 1,431,684	\$ 1,555,765
Contributions in Relation to Actuarially Determined Contributions	<u>(1,767,706)</u>	<u>(1,099,473)</u>	<u>(1,257,559)</u>	<u>(1,431,684)</u>	<u>(1,555,765)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered Payroll	 \$ 3,931,894	 \$ 4,083,507	 \$ 4,623,746	 \$ 4,739,340	 \$ 4,786,733
Contributions as a Percentage of Covered Payroll	44.96%	26.92%	27.20%	30.21%	32.50%

* The County implemented GASB 68 for fiscal year June 30, 2015; therefore, only five years are shown.

**COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2019**

Last 10 Fiscal Years*		
Reporting Fiscal Year	<u>2017/18</u>	<u>2018/19</u>
TOTAL OPEB LIABILITY		
Service Cost	\$ 599,212	\$ 462,039
Interest on Total OPEB Liability	648,011	769,128
Difference Between Expected and Actual Experience	4,360	13,896
Changes of Assumptions	(2,929,481)	-
Benefit Payments, Including Refunds of Employee Contributions	(792,982)	(838,227)
Change in Proportion	-	15,114
Net Change in Total OPEB Liability	<u>(2,470,880)</u>	<u>421,950</u>
Total OPEB Liability – Beginning	17,795,395	15,324,515
Total OPEB Liability – Ending (a)	<u><u>\$ 15,324,515</u></u>	<u><u>\$ 15,746,465</u></u>
 PLAN FIDUCIARY NET POSITION		
Contributions – Employer	\$ 10,184,769	\$ 2,714,221
Net Investment Income	-	783,513
Benefit Payments	-	(838,227)
Administrative Expenses	-	(24,875)
Other Charges	-	(27,821)
Change in Proportion	-	10,045
Net Change in Fiduciary Net Position	<u>10,184,769</u>	<u>2,616,856</u>
Plan Fiduciary Net Position – Beginning	-	10,184,769
Plan Fiduciary Net Position – Ending (b)	<u><u>\$ 10,184,769</u></u>	<u><u>\$ 12,801,625</u></u>
 Plan OPEB Liability (Asset) – Ending (a) - (b)	<u><u>\$ 5,139,746</u></u>	<u><u>\$ 2,944,840</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	66.46%	81.30%
 Covered Employee Payroll	\$ 22,710,569	\$ 23,391,886
 Net OPEB Liability as a Percentage of Covered Employee Payroll	22.63%	12.59%

* Fiscal year 2018 was the first year of implementation. Additional years will be presented as they become available.

**COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF OPEB CONTRACTUALLY REQUIRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2019**

Reporting Fiscal Year	2017/18	2018/19
Contractually Required Contributions	\$ 792,982	\$ 805,899
Contributions in Relation to the Contractually Required Contributions	(792,982)	(805,899)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll	\$ 22,710,569	\$ 23,391,886
Contributions as a Percentage of Covered Employee Payroll	3.49%	3.45%

* Fiscal year 2018 was the first year of implementation. Additional years will be presented as they become available.

**COUNTY OF COLUSA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 17,381,821	\$ 17,324,010	\$ 18,563,123	\$ 1,239,113
Licenses and Permits	700,230	700,230	678,602	(21,628)
Fines and Forfeitures	434,400	434,400	524,550	90,150
Use of Money and Property	204,476	204,476	595,970	391,494
Intergovernmental Revenues	7,134,552	6,113,826	4,787,534	(1,326,292)
Charges for Services	1,423,523	1,483,995	1,543,192	59,197
Other Revenues	51,748	74,254	90,665	16,411
Total Revenues	<u>27,330,750</u>	<u>26,335,191</u>	<u>26,783,636</u>	<u>448,445</u>
EXPENDITURES				
Current:				
General Government	5,589,733	5,323,893	4,192,363	1,131,530
Public Protection	23,014,464	21,904,982	19,801,880	2,103,102
Public Assistance	159,772	162,770	145,488	17,282
Education	1,311,335	1,344,819	1,320,118	24,701
Recreation and Culture	(22,869)	(15,076)	(15,083)	7
Total Expenditures	<u>30,052,435</u>	<u>28,721,388</u>	<u>25,444,766</u>	<u>3,276,622</u>
Excess of Revenues Over (Under) Expenditures	(2,721,685)	(2,386,197)	1,338,870	3,725,067
OTHER FINANCING SOURCES (USES)				
Transfers In	1,614,993	1,793,923	1,679,797	(114,126)
Transfers Out	(3,323,212)	(3,581,025)	(2,224,049)	1,356,976
Total Other Financing Sources (Uses)	<u>(1,708,219)</u>	<u>(1,787,102)</u>	<u>(544,252)</u>	<u>1,242,850</u>
NET CHANGE IN FUND BALANCES	(4,429,904)	(4,173,299)	794,618	4,967,917
Fund Balances - Beginning of Year	<u>9,364,647</u>	<u>9,364,647</u>	<u>9,364,647</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,934,743</u>	<u>\$ 5,191,348</u>	<u>\$ 10,159,265</u>	<u>\$ 4,967,917</u>

**COUNTY OF COLUSA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HEALTH AND HUMAN SERVICES - MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	\$ 128,058	\$ 128,058	\$ 159,382	\$ 31,324
Use of Money and Property	-	-	1,369	1,369
Intergovernmental Revenues	864,556	864,556	734,992	(129,564)
Charges for Services	53,414	53,414	76,266	22,852
Other Revenues	25,225	25,225	18,285	(6,940)
Total Revenues	<u>1,071,253</u>	<u>1,071,253</u>	<u>990,294</u>	<u>(80,959)</u>
EXPENDITURES				
Current:				
Health and Sanitation	2,962,217	2,962,217	2,613,659	348,558
Public Assistant	8,016,533	8,046,885	6,525,533	1,521,352
Total Expenditures	<u>10,978,750</u>	<u>11,009,102</u>	<u>9,139,192</u>	<u>1,869,910</u>
Excess of Revenues Over (Under) Expenditures	(9,907,497)	(9,937,849)	(8,148,898)	1,788,951
OTHER FINANCING SOURCES (USES)				
Transfers In	9,907,497	10,071,561	8,160,036	(1,911,525)
Transfers Out	-	(9,546)	(9,520)	26
Total Other Financing Sources (Uses)	<u>9,907,497</u>	<u>10,062,015</u>	<u>8,150,516</u>	<u>(1,911,499)</u>
NET CHANGE IN FUND BALANCES	-	124,166	1,618	(122,548)
Fund Balances - Beginning of Year	<u>(1,158)</u>	<u>(1,158)</u>	<u>(1,158)</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (1,158)</u>	<u>\$ 123,008</u>	<u>\$ 460</u>	<u>\$ (122,548)</u>

**COUNTY OF COLUSA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
LOAN PROGRAMS - MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property	\$ 93,686	\$ 93,633	\$ 71,735	\$ (21,898)
Intergovernmental Revenues	303,259	303,259	-	(303,259)
Total Revenues	<u>396,945</u>	<u>396,892</u>	<u>71,735</u>	<u>(325,157)</u>
EXPENDITURES				
Current:				
General Government	<u>303,259</u>	<u>493,718</u>	<u>238,479</u>	<u>255,239</u>
Excess of Revenues Over (Under) Expenditures	93,686	(96,826)	(166,744)	(69,918)
OTHER FINANCING SOURCES (USES)				
Transfers In	76,592	293,765	215,113	(78,652)
Transfers Out	(76,542)	(131,082)	(52,430)	78,652
Total Other Financing Sources (Uses)	<u>50</u>	<u>162,683</u>	<u>162,683</u>	<u>-</u>
NET CHANGE IN FUND BALANCES BEFORE SPECIAL ITEM				
	93,736	65,857	(4,061)	(69,918)
Special Item:				
Loan Receivable Write-Off	<u>-</u>	<u>-</u>	<u>(4,600,000)</u>	<u>(4,600,000)</u>
NET CHANGE IN FUND BALANCES	93,736	65,857	(4,604,061)	(4,669,918)
Fund Balances - Beginning of Year	<u>6,294,323</u>	<u>6,294,323</u>	<u>6,294,323</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,388,059</u>	<u>\$ 6,360,180</u>	<u>\$ 1,690,262</u>	<u>\$ (4,669,918)</u>

**COUNTY OF COLUSA, CALIFORNIA
 BUDGETARY COMPARISON SCHEDULE
 PUBLIC WAYS AND FACILITIES - MAJOR SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 1,476,468	\$ 1,513,349	\$ 1,484,741	\$ (28,608)
Licenses and Permits	16,100	16,172	13,921	(2,251)
Use of Money and Property	76,284	76,284	204,830	128,546
Intergovernmental Revenues	5,517,669	5,848,910	5,944,624	95,714
Charges for Services	5,421	12,083	12,083	-
Other Revenues	24,322	27,350	41,908	14,558
Total Revenues	<u>7,116,264</u>	<u>7,494,148</u>	<u>7,702,107</u>	<u>207,959</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	11,792,820	11,835,476	6,861,703	4,973,773
Debt Service:				
Principal	34,724	34,724	35,334	(610)
Interest and Other Charges	6,208	6,208	5,598	610
Total Expenditures	<u>11,833,752</u>	<u>11,876,408</u>	<u>6,902,635</u>	<u>4,973,773</u>
Excess of Revenues Over (Under) Expenditures	(4,717,488)	(4,382,260)	799,472	5,181,732
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>1,440,133</u>	<u>1,440,133</u>	<u>1,440,133</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,277,355)	(2,942,127)	2,239,605	5,181,732
Fund Balances - Beginning of Year	<u>4,919,744</u>	<u>4,919,744</u>	<u>4,919,744</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,642,389</u>	<u>\$ 1,977,617</u>	<u>\$ 7,159,349</u>	<u>\$ 5,181,732</u>

**COUNTY OF COLUSA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HEALTH AND SANITATION - MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	\$ 314,000	\$ 314,000	\$ 313,579	\$ (421)
Fines and Forfeitures	115,000	115,000	124,615	9,615
Use of Money and Property	43,976	56,893	310,841	253,948
Intergovernmental Revenues	10,919,995	11,056,749	11,050,756	(5,993)
Charges for Services	265,555	265,555	261,754	(3,801)
Other Revenues	800	800	1,425	625
Total Revenues	<u>11,659,326</u>	<u>11,808,997</u>	<u>12,062,970</u>	<u>253,973</u>
EXPENDITURES				
Current:				
Health and Sanitation	<u>10,031,848</u>	<u>10,378,076</u>	<u>8,603,507</u>	<u>1,774,569</u>
Excess of Revenues Over (Under) Expenditures	1,627,478	1,430,921	3,459,463	2,028,542
OTHER FINANCING SOURCES (USES)				
Transfers In	1,834,821	2,110,065	1,293,239	(816,826)
Transfers Out	<u>(5,343,986)</u>	<u>(5,757,378)</u>	<u>(3,993,159)</u>	<u>1,764,219</u>
Total Other Financing Sources (Uses)	<u>(3,509,165)</u>	<u>(3,647,313)</u>	<u>(2,699,920)</u>	<u>947,393</u>
NET CHANGE IN FUND BALANCES	(1,881,687)	(2,216,392)	759,543	2,975,935
Fund Balances - Beginning of Year	<u>8,201,510</u>	<u>8,201,510</u>	<u>8,201,510</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 6,319,823</u></u>	<u><u>\$ 5,985,118</u></u>	<u><u>\$ 8,961,053</u></u>	<u><u>\$ 2,975,935</u></u>

**COUNTY OF COLUSA, CALIFORNIA
 BUDGETARY COMPARISON SCHEDULE
 PUBLIC ASSISTANCE - MAJOR SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property	\$ 30,100	\$ 30,100	\$ 107,762	\$ 77,662
Intergovernmental Revenues	8,725,955	8,725,955	8,824,347	98,392
Other Revenues	26,000	26,000	35,995	9,995
Total Revenues	<u>8,782,055</u>	<u>8,782,055</u>	<u>8,968,104</u>	<u>186,049</u>
EXPENDITURES				
Current:				
Public Assistance	<u>3,305,726</u>	<u>3,306,326</u>	<u>3,089,505</u>	<u>216,821</u>
Excess of Revenues Over (Under) Expenditures	5,476,329	5,475,729	5,878,599	402,870
OTHER FINANCING SOURCES (USES)				
Transfers In	3,702,380	3,966,724	22	(3,966,702)
Transfers Out	<u>(10,566,085)</u>	<u>(10,865,812)</u>	<u>(5,922,712)</u>	<u>4,943,100</u>
Total Other Financing Sources (Uses)	<u>(6,863,705)</u>	<u>(6,899,088)</u>	<u>(5,922,690)</u>	<u>976,398</u>
NET CHANGE IN FUND BALANCES	(1,387,376)	(1,423,359)	(44,091)	1,379,268
Fund Balances - Beginning of Year	<u>3,357,571</u>	<u>3,357,571</u>	<u>3,357,571</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,970,195</u></u>	<u><u>\$ 1,934,212</u></u>	<u><u>\$ 3,313,480</u></u>	<u><u>\$ 1,379,268</u></u>

COUNTY OF COLUSA, CALIFORNIA
NOTE TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2019

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for the County's General and Major Special Revenue funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County adopts a budget for each fiscal year on or before October 2. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

The following procedures are performed by the County in establishing the budgetary data reflected in the financial statements:

- (1) The Budget Committee consists of two members of the Board of Supervisors, the Auditor-Controller, the CAO, the Assistant Auditor-Controller, and the Budget Management Analyst. This Committee submits to the Board of Supervisors a recommended budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) On or before June 30 of each year the Board, by formal action, shall approve the recommended budget, including the revisions it deems necessary for the purpose of having authority to spend until the budget is adopted.
- (3) The Board conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (4) Prior to October 2, the budget is adopted through Board resolution.
- (5) From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as recommended expenditures become appropriations to the various County departments. The Board of Supervisors may amend the budget by motion during the fiscal year. The Board of Supervisors may authorize transfers from one object or purpose to another within the same department.

The County uses an encumbrance system as an extension of normal budgetary accounting for the General and other governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

COMBINING FUND STATEMENTS

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**COUNTY OF COLUSA, CALIFORNIA
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds		
	Lighting Districts	County Service Areas	General Government
ASSETS			
Cash and Investments	\$ 12,444	\$ -	\$ 344,444
Receivables:			
Accounts	-	9,809	-
Intergovernmental	-	3,926	74,048
Interest	66	(3,813)	1,814
Prepaid Costs	-	-	-
	<u>\$ 12,510</u>	<u>\$ 9,922</u>	<u>\$ 420,306</u>
LIABILITIES			
Accounts Payable	\$ 16	\$ 11,250	\$ 24,982
Deposits Payable	-	-	13,075
Due to Other Funds	-	745,374	-
Total Liabilities	<u>16</u>	<u>756,624</u>	<u>38,057</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	3,926	41,964
FUND BALANCES			
Nonspendable	-	-	-
Restricted	12,494	-	382,022
Committed	-	-	-
Unassigned	-	(750,628)	(41,737)
Total Fund Balances	<u>12,494</u>	<u>(750,628)</u>	<u>340,285</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,510</u>	<u>\$ 9,922</u>	<u>\$ 420,306</u>

**COUNTY OF COLUSA, CALIFORNIA
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019**

	Special Revenue Funds		
	Public Protection	Education	Recreation and Culture
ASSETS			
Cash and Investments	\$ 2,563,805	\$ 263,306	\$ 5,360
Receivables:			
Accounts	5,914	10	-
Intergovernmental	784,532	-	-
Interest	16,362	1,468	21
Prepaid Costs	5,004	-	-
	<u>\$ 3,375,617</u>	<u>\$ 264,784</u>	<u>\$ 5,381</u>
Total Assets			
	<u>\$ 3,375,617</u>	<u>\$ 264,784</u>	<u>\$ 5,381</u>
LIABILITIES			
Accounts Payable	\$ 81,475	\$ -	\$ 719
Deposits Payable	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	<u>81,475</u>	<u>-</u>	<u>719</u>
	<u>81,475</u>	<u>-</u>	<u>719</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	590,901	-	-
	<u>590,901</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	5,004	-	-
Restricted	3,265,174	264,784	4,662
Committed	14,683	-	-
Unassigned	(581,620)	-	-
Total Fund Balances	<u>2,703,241</u>	<u>264,784</u>	<u>4,662</u>
	<u>2,703,241</u>	<u>264,784</u>	<u>4,662</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,375,617</u>	<u>\$ 264,784</u>	<u>\$ 5,381</u>

**COUNTY OF COLUSA, CALIFORNIA
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019**

	Capital Project Funds			Total
	Building Fund	Courthouse Construction	County Criminal Justice Construction	
ASSETS				
Cash and Investments	\$ 8,319	\$ 510,178	\$ 385,129	\$ 4,092,985
Receivables:				
Accounts	-	-	-	15,733
Intergovernmental	-	2,510	9,619	874,635
Interest	-	2,700	1,983	20,601
Prepaid Costs	-	-	-	5,004
Total Assets	<u>\$ 8,319</u>	<u>\$ 515,388</u>	<u>\$ 396,731</u>	<u>\$ 5,008,958</u>
LIABILITIES				
Accounts Payable	\$ 8,319	\$ 1,709	\$ 638	\$ 129,108
Deposits Payable	-	-	-	13,075
Due to Other Funds	-	-	-	745,374
Total Liabilities	<u>8,319</u>	<u>1,709</u>	<u>638</u>	<u>887,557</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	636,791
FUND BALANCES				
Nonspendable	-	-	-	5,004
Restricted	-	513,679	396,093	4,838,908
Committed	-	-	-	14,683
Unassigned	-	-	-	(1,373,985)
Total Fund Balances	<u>-</u>	<u>513,679</u>	<u>396,093</u>	<u>3,484,610</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,319</u>	<u>\$ 515,388</u>	<u>\$ 396,731</u>	<u>\$ 5,008,958</u>

**COUNTY OF COLUSA, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds		
	Lighting Districts	County Service Areas	General Government
REVENUES			
Taxes	\$ 5,211	\$ 12,811	\$ -
Fines and Forfeitures	-	-	-
Use of Money and Property	482	(25,038)	272,380
Intergovernmental Revenues	-	28,833	529,136
Charges for Services	-	94,814	-
Other Revenues	-	62	55,658
Total Revenues	5,693	111,482	857,174
EXPENDITURES			
Current:			
General Government	6,764	-	878,633
Public Protection	-	-	-
Health and Sanitation	-	209,413	-
Education	-	-	-
Recreation and Culture	-	-	-
Debt Service:			
Principal	-	5,724	-
Capital Outlay	-	-	-
Total Expenditures	6,764	215,137	878,633
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,071)	(103,655)	(21,459)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	67,692
Transfers Out	-	-	(6,356)
Total Other Financing Sources (Uses)	-	-	61,336
NET CHANGE IN FUND BALANCES	(1,071)	(103,655)	39,877
Fund Balance - Beginning	13,565	(646,973)	300,408
FUND BALANCE - END OF YEAR	\$ 12,494	\$ (750,628)	\$ 340,285

**COUNTY OF COLUSA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds		
	Public Protection	Education	Recreation and Culture
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fines and Forfeitures	22,268	-	-
Use of Money and Property	105,660	10,245	171
Intergovernmental Revenues	2,639,142	22,576	-
Charges for Services	60,544	-	-
Other Revenues	182,720	57,491	-
Total Revenues	3,010,334	90,312	171
EXPENDITURES			
Current:			
General Government	-	-	-
Public Protection	2,615,329	-	-
Health and Sanitation	-	-	-
Education	-	-	-
Recreation and Culture	-	-	4,475
Debt Service:			
Principal	-	-	-
Capital Outlay	-	-	-
Total Expenditures	2,615,329	-	4,475
Excess (Deficiency) of Revenues Over (Under) Expenditures	395,005	90,312	(4,304)
OTHER FINANCING SOURCES (USES)			
Transfers In	19,104	-	4,396
Transfers Out	(706,790)	(94,427)	-
Total Other Financing Sources (Uses)	(687,686)	(94,427)	4,396
NET CHANGE IN FUND BALANCES	(292,681)	(4,115)	92
Fund Balance - Beginning	2,995,922	268,899	4,570
FUND BALANCE - END OF YEAR	\$ 2,703,241	\$ 264,784	\$ 4,662

**COUNTY OF COLUSA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Capital Project Funds			Total
	Building Fund	Courthouse Construction	County Criminal Justice Construction	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 18,022
Fines and Forfeitures	-	28,206	108,752	159,226
Use of Money and Property	1	18,337	11,392	393,630
Intergovernmental Revenues	35,060	-	-	3,254,747
Charges for Services	-	-	-	155,358
Other Revenues	-	-	-	295,931
Total Revenues	<u>35,061</u>	<u>46,543</u>	<u>120,144</u>	<u>4,276,914</u>
EXPENDITURES				
Current:				
General Government	-	-	-	885,397
Public Protection	-	-	-	2,615,329
Health and Sanitation	-	-	-	209,413
Education	-	-	-	-
Recreation and Culture	-	-	-	4,475
Debt Service:				
Principal	-	-	-	5,724
Capital Outlay	<u>64,972</u>	<u>22,216</u>	<u>5,586</u>	<u>92,774</u>
Total Expenditures	<u>64,972</u>	<u>22,216</u>	<u>5,586</u>	<u>3,813,112</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(29,911)</u>	<u>24,327</u>	<u>114,558</u>	<u>463,802</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	64,971	-	-	156,163
Transfers Out	<u>(35,060)</u>	<u>-</u>	<u>-</u>	<u>(842,633)</u>
Total Other Financing Sources (Uses)	<u>29,911</u>	<u>-</u>	<u>-</u>	<u>(686,470)</u>
NET CHANGE IN FUND BALANCES	-	24,327	114,558	(222,668)
Fund Balance - Beginning	<u>-</u>	<u>489,352</u>	<u>281,535</u>	<u>3,707,278</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 513,679</u>	<u>\$ 396,093</u>	<u>\$ 3,484,610</u>

**COUNTY OF COLUSA, CALIFORNIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2019**

ASSETS	Airport	East Park Reservoir	Total
Current Assets:			
Cash and Investments	\$ 146,853	\$ (2,428)	\$ 144,425
Receivables:			
Accounts	62,090	15,120	77,210
Interest	1,089	150	1,239
Prepays	75	-	75
Inventory	-	2,961	2,961
Total Current Assets	210,107	15,803	225,910
Noncurrent Assets:			
Capital Assets:			
Depreciable:			
Structures and Improvements	76,253	16,934	93,187
Accumulated Depreciation	(76,253)	(16,934)	(93,187)
Total Noncurrent Assets	-	-	-
Total Assets	210,107	15,803	225,910
DEFERRED OUTFLOWS OF RESOURCES			
Deferred OPEB Adjustments	-	76	76
Deferred Pension Adjustments	-	33,675	33,675
	-	33,751	33,751
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,131	16,835	17,966
Due to Other Funds	-	-	-
Total Current Liabilities	1,131	16,835	17,966
Noncurrent Liabilities:			
Compensated Absences	-	3,630	3,630
Net Pension Liability	-	217,442	217,442
Net OPEB Liability	-	15,735	15,735
Total Noncurrent Liabilities	-	236,807	236,807
Total Liabilities	1,131	253,642	254,773
DEFERRED INFLOWS OF RESOURCES			
Deferred OPEB Adjustments	-	11,002	11,002
Deferred Pension Adjustments	-	2,407	2,407
	-	13,409	13,409
NET POSITION			
Unrestricted	208,976	(217,497)	(8,521)
Total Net Position	\$ 208,976	\$ (217,497)	\$ (8,521)

COUNTY OF COLUSA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2019

	Business-Type Activities		
	Airport	East Park Reservoir	Total
OPERATING REVENUES			
Charges for Services	\$ -	\$ 196,474	\$ 196,474
Other Revenue	503,611	372	503,983
Total Operating Revenues	<u>503,611</u>	<u>196,846</u>	<u>700,457</u>
OPERATING EXPENSES			
Salaries and Employee Benefits	10,416	169,673	180,089
Services and Supplies	590,380	139,694	730,074
Total Operating Expenses	<u>600,796</u>	<u>309,367</u>	<u>910,163</u>
OPERATING INCOME (LOSS)	<u>(97,185)</u>	<u>(112,521)</u>	<u>(209,706)</u>
NONOPERATING REVENUES (EXPENSES)			
Taxes	80,896	-	80,896
Interest Income	8,158	262	8,420
Total Nonoperating Revenues (Expenses)	<u>89,054</u>	<u>262</u>	<u>89,316</u>
INCOME (LOSS) BEFORE TRANSFERS	(8,131)	(112,259)	(120,390)
Transfers In	-	100,000	100,000
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	(8,131)	(12,259)	(20,390)
Net Position (Deficit) - Beginning of Year	<u>217,107</u>	<u>(205,238)</u>	<u>11,869</u>
NET POSITION (DEFICIT) - END OF YEAR	<u><u>\$ 208,976</u></u>	<u><u>\$ (217,497)</u></u>	<u><u>\$ (8,521)</u></u>

**COUNTY OF COLUSA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2019**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Airport</u>	<u>East Park Reservoir</u>	<u>Total Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 481,090	\$ 195,939	\$ 677,029
Payments to Suppliers	(590,158)	(130,347)	(720,505)
Payments to Employees	(10,416)	(155,152)	(165,568)
Net Cash Provided (Used) by Operating Activities	<u>(119,484)</u>	<u>(89,560)</u>	<u>(209,044)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Taxes Received	80,896	-	80,896
Payments on Interfund Loans	-	(12,980)	(12,980)
Transfers from Other Funds	-	100,000	100,000
Net Cash Provided (Used) by Noncapital Financing Activities	<u>80,896</u>	<u>87,020</u>	<u>167,916</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earnings	8,225	112	8,337
Net Cash Provided (Used) by Investing Activities	<u>8,225</u>	<u>112</u>	<u>8,337</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(30,363)	(2,428)	(32,791)
Cash and Cash Equivalents - Beginning of Year	<u>177,216</u>	<u>-</u>	<u>177,216</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 146,853</u>	<u>\$ (2,428)</u>	<u>\$ 144,425</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (97,185)	\$ (112,521)	\$ (209,706)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Decrease (Increase) in:			
Accounts Receivable	(22,521)	(907)	(23,428)
Prepaid Costs	(75)	-	(75)
Inventory	-	280	280
Deferred Outflows - Pension	-	2,131	2,131
Deferred Outflows - OPEB	-	(55)	(55)
Increase (Decrease) in:			
Accounts Payable and Other Liabilities	297	9,067	9,364
Compensated Absences	-	(127)	(127)
Net Pension Liability	-	28,270	28,270
Net OPEB Liability	-	(14,678)	(14,678)
Deferred Inflows - OPEB	-	(3,212)	(3,212)
Deferred Inflows - Pension	-	2,192	2,192
Net Cash Provided (Used) by Operating Activities	<u>\$ (119,484)</u>	<u>\$ (89,560)</u>	<u>\$ (209,044)</u>

**COUNTY OF COLUSA, CALIFORNIA
 COMBINING STATEMENT OF NET POSITION
 INVESTMENT TRUST FUNDS
 JUNE 30, 2019**

	School Districts	Special Districts Governed by Local Boards	Courts	Totals
ASSETS				
Cash and Investments	\$ 38,395,023	\$ 15,867,819	\$ (55,394)	\$ 54,207,448
Total Assets	38,395,023	15,867,819	(55,394)	54,207,448
NET POSITION				
Held in Trust for Pool Participants	38,395,023	15,867,819	(55,394)	54,207,448
Total Net Position	\$ 38,395,023	\$ 15,867,819	\$ (55,394)	\$ 54,207,448

**COUNTY OF COLUSA, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN NET POSITION
INVESTMENT TRUST FUNDS
YEAR ENDED JUNE 30, 2019**

	School Districts	Special Districts Governed by Local Boards	Courts	Totals
ADDITIONS				
Contributions to Investment Pool	\$ 87,286,940	\$ 33,890,538	\$ 965,464	\$ 122,142,942
Interest Earnings	942,574	371,845	1	1,314,420
Total Additions	<u>88,229,514</u>	<u>34,262,383</u>	<u>965,465</u>	<u>123,457,362</u>
DEDUCTIONS				
Distributions from Investment Pool	94,254,038	38,276,271	947,877	133,478,186
Total Deductions	<u>94,254,038</u>	<u>38,276,271</u>	<u>947,877</u>	<u>133,478,186</u>
CHANGE IN NET POSITION	(6,024,524)	(4,013,888)	17,588	(10,020,824)
Net Position - Beginning of Year	<u>44,419,547</u>	<u>19,881,707</u>	<u>(72,982)</u>	<u>64,228,272</u>
NET POSITION - END OF YEAR	<u>\$ 38,395,023</u>	<u>\$ 15,867,819</u>	<u>\$ (55,394)</u>	<u>\$ 54,207,448</u>

**COUNTY OF COLUSA, CALIFORNIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2019**

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
ASSETS				
Cash and Investments	\$ 1,797,148	\$ 149,245,342	\$ 149,760,094	\$ 1,282,396
Taxes Receivable	764,162	44,212,301	44,177,685	798,778
Total Assets	<u>2,561,310</u>	<u>193,457,643</u>	<u>193,937,779</u>	<u>2,081,174</u>
LIABILITIES				
Agency Funds Held for Others	2,561,310	193,457,643	193,937,779	2,081,174
Total Liabilities	<u>\$ 2,561,310</u>	<u>\$ 193,457,643</u>	<u>\$ 193,937,779</u>	<u>\$ 2,081,174</u>