

COUNTY OF GLENN
State of California
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016



Glenn County Courthouse – Willows, CA

Prepared Under the Supervision of:

Edward J. Lamb

County Director of Finance



COUNTY OF GLENN

Table of Contents
June 30, 2016

INTRODUCTORY SECTION

Transmittal Letter	i-iii
Board of Supervisors.....	iv
Principal County Officials	v
Organizational Chart	vi

FINANCIAL SECTION

Independent Auditor's Report	1-2
Management's Discussion and Analysis (Required Supplementary Information)	3-14

Basic Financial Statements:

Government-Wide Financial Statements:	
Statement of Net Position.....	15
Statement of Activities.....	16

Fund Financial Statements:

Governmental Funds:	
Balance Sheet	17
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities	20

Proprietary Funds:

Statement of Net Position.....	21
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	22
Statement of Cash Flows	23-24

Fiduciary Funds:

Statement of Fiduciary Net Position.....	25
Statement of Changes in Fiduciary Net Position.....	26

Notes to the Financial Statements	27-62
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Required Supplementary Information:

Pension:

Sources of Changes in Net Pension Liability and Related Ratios	63-66
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Other Postemployment Benefit:

Schedule of Funding Progress – Other Postemployment Benefits (OPEB)	67
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Budgetary Comparison Schedules:

Budgetary Comparison Schedule – General Fund	68
Budgetary Comparison Schedule – Community Action Agency Fund.....	69
Budgetary Comparison Schedule – Road Fund.....	70
Budgetary Comparison Schedule – Mental Health Services Act Fund.....	71
Budgetary Comparison Schedule – County Local Revenue 2011 Fund	72

COUNTY OF GLENN

Table of Contents
June 30, 2016

FINANCIAL SECTION (continued)

Supplementary Information:

Non-major Governmental Funds:

Combining Financial Statements:

Combining Balance Sheet.....	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	75

Budgetary Comparison Schedules:

Special Revenue Funds	76
Capital Projects Funds	77
Debt Service Fund.....	78

Internal Service Funds:

Combining Statement of Net Position	80
Combining Statement of Revenues, Expenses and Changes in Net Position.....	81
Combining Statement of Cash Flows.....	82-83

Agency Funds

Combining Statement of Fiduciary Assets and Liabilities	85
Combining Statement of Changes in Fiduciary Assets and Liabilities.....	86

STATISTICAL SECTION

Financial Trends:

Net Position by Component – Last Ten Fiscal Years	88
Changes in Net Position – Last Ten Fiscal Years.....	89
Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	90
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	91

Revenue Capacity:

Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years.....	92
Principal Property Taxpayers – Current Year and Nine Years Ago	93
Property Tax Levies and Collections – Last Ten Fiscal Years.....	94

Debt Capacity:

Outstanding Debt by Type – Last Ten Fiscal Years	95
Computation of Legal Debt Margin – Last Ten Fiscal Years	96

Demographic and Economic Information:

Demographic and Economic Statistics – Last Ten Fiscal Years.....	97
Miscellaneous Statistical Information	98
Principal Employers and County FTEs by Function – Current Year and Comparisons.....	99



INTRODUCTORY SECTION





County of Glenn

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WILLOWS, CALIFORNIA 95988
Telephone (530) 934-6400 Fax: (530) 934-6421

March 9, 2017

To the Citizens of Glenn County, California

Dear Citizens:

The Comprehensive Annual Financial Report ("CAFR") of the County of Glenn ("County") for the fiscal year ended June 30, 2016, is hereby submitted in compliance with §25250 through §25253 of the Government Code of the State of California ("State"). The report contains financial statements that have been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America prescribed for government entities. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and presents fairly the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2016, and the respective changes in financial position and cash flow, where applicable, thereof for the fiscal year then ended. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The County's MD&A can be found on pages 3 through 14.

The financial reporting entity of the County includes all the funds of the primary government (i.e., Glenn County as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, certain districts and agencies accounted for in the non-major Special Revenue Fund Special Districts governed by the Board of Supervisors are reported as part of the primary government. For a more detailed overview of the County's component units, see Note 1 to the Notes to the Basic Financial Statements.

PROFILE OF THE GOVERNMENT

The County of Glenn is located 85 miles north of Sacramento, and Willows, the County seat, is located 75 miles south of Redding along Interstate 5. The County encompasses 1,327 square miles (including 12.4 square miles of water). Glenn County is boarded by Colusa County to the south, Butte County to the east, Tehama County to the north, Mendocino County to the west and Lake County to the southwest.

The County of Glenn is an important agricultural area in the state of California. Approximately two thirds of the County is currently used for the production of rice, fruit, nuts, dairy products, wheat, and livestock. A strong agribusiness foundation and stable government sector are key factors in the County's economy.

Policymaking and legislative authority is vested in the County Board of Supervisors (“the Board”), which consists of an elected supervisor from each of the five districts. The Board is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and appointing non-elected department heads. County Supervisors are elected to four-year terms with new elections every two years. The State Constitution designates that certain officials are elected who are responsible for the offices of the County: Assessor, District Attorney, Sheriff, and Superintendent of Schools. The County has no other elected officers.

The County provides a full range of services including public safety; health and sanitation; the construction and maintenance of highways, streets, and infrastructure assets; recreational activities; elections; social services; and administration.

The County maintains a website located at: www.countyofglenn.net that provides online services and extensive information about the County government. The County’s website includes information about the Board of Supervisors, Board meeting agendas, County job listings, County directories, financial information and links to other local resources just to name a few.

MAJOR INITIATIVES

Glenn County is undertaking several major initiatives notwithstanding significant fiscal limitations:

- ❖ Centralizing county information systems
- ❖ The “One Stop Shop” business process review for licensing and permitting
- ❖ Closure of the County’s solid waste landfill

FACTORS AFFECTING FINANCIAL CONDITION

Economic Challenges

The County continues to face economic challenges as wages and healthcare costs outpace the required revenues to support historical staffing levels. To combat the rising costs of wages and healthcare, the Board of Supervisors has frozen most of the funded vacant positions leaving some departments understaffed on a historical basis. Advancements in technology have mitigated the impact of staffing shortages, but services have been or will need to be reduced or eliminated as costs rise and positions remain frozen.

Internal Control

The management of the County has established internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse. The controls ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with United States GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. Reasonable assurance provides that the cost of internal controls should not exceed the benefits and that decisions often require the use of estimates and judgments by management.

Single Audit

As a recipient of federal and state financial assistance, the County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit includes the Schedule of Expenditures of Federal Awards, Schedule of Findings and Questioned Costs, and the independent auditor's report on internal control and compliance. The County is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the Department of Finance staff. The 2015-16 Single Audit is issued under separate cover and is available at the County website located at: <http://www.countyofglenn.net>.

Budgeting Controls

In addition to accounting controls, the County maintains budgetary controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Supervisors.

In accordance with the provisions of §29000 through §29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a final budget for each fiscal year on or before October 2nd. Budgeted expenditures are enacted into law through the passage of an appropriation. This 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.

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the object level within budget units for the County, the object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between departments or funds must be approved by the Board. The Board must approve supplementary appropriations normally financed by unanticipated revenues measured and available during the year, or by the use of unassigned fund balances. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and are amended during the fiscal year by resolutions approved by the Board of Supervisors.

OTHER INFORMATION

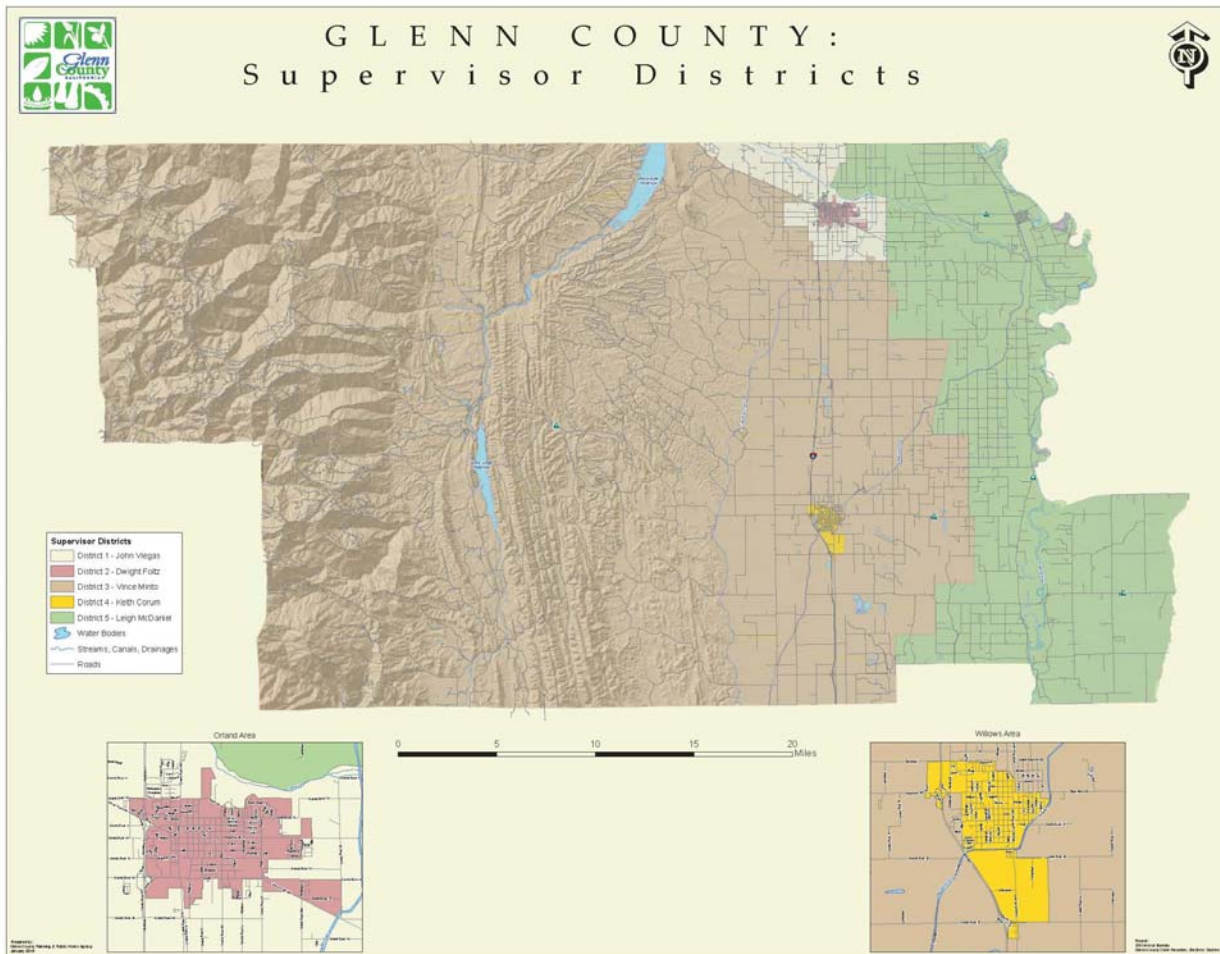
Independent Audit

County charter requires an annual audit by independent certified public accountants. The firm Gallina, LLP was selected by the County to meet this requirement. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County, for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit results, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the County's basic financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with accounting standards generally accepted in the United States of America. The independent auditor's report is presented as the first item of the financial section of this report.

COUNTY OF GLENN
BOARD OF SUPERVISORS
March 9, 2017

- District 1 John Viegas, Vice Chairman*
- District 2 Dwight Foltz
- District 3 Vince Minto
- District 4 Keith Corum, Chairman*
- District 5 Leigh McDaniel

*Chosen annually at the first meeting in January.



COUNTY OF GLENN
PRINCIPAL COUNTY OFFICIALS
March 9, 2017

Elected Officials

District Attorney – Dwayne Stewart

Sheriff-Coroner – Richard Warren Jr.

County Office of Education Superintendent – Tracey Quarne

Appointed Officials

Agricultural Commissioner – Marcie Skelton

County Counsel – Alicia Ekland

Director of Child Support Services – Dawn Mayer

Director of Finance – Edward Lamb

Director of Health & Human Services – Christine Zoppi

Director of Personnel – Linda Durrer

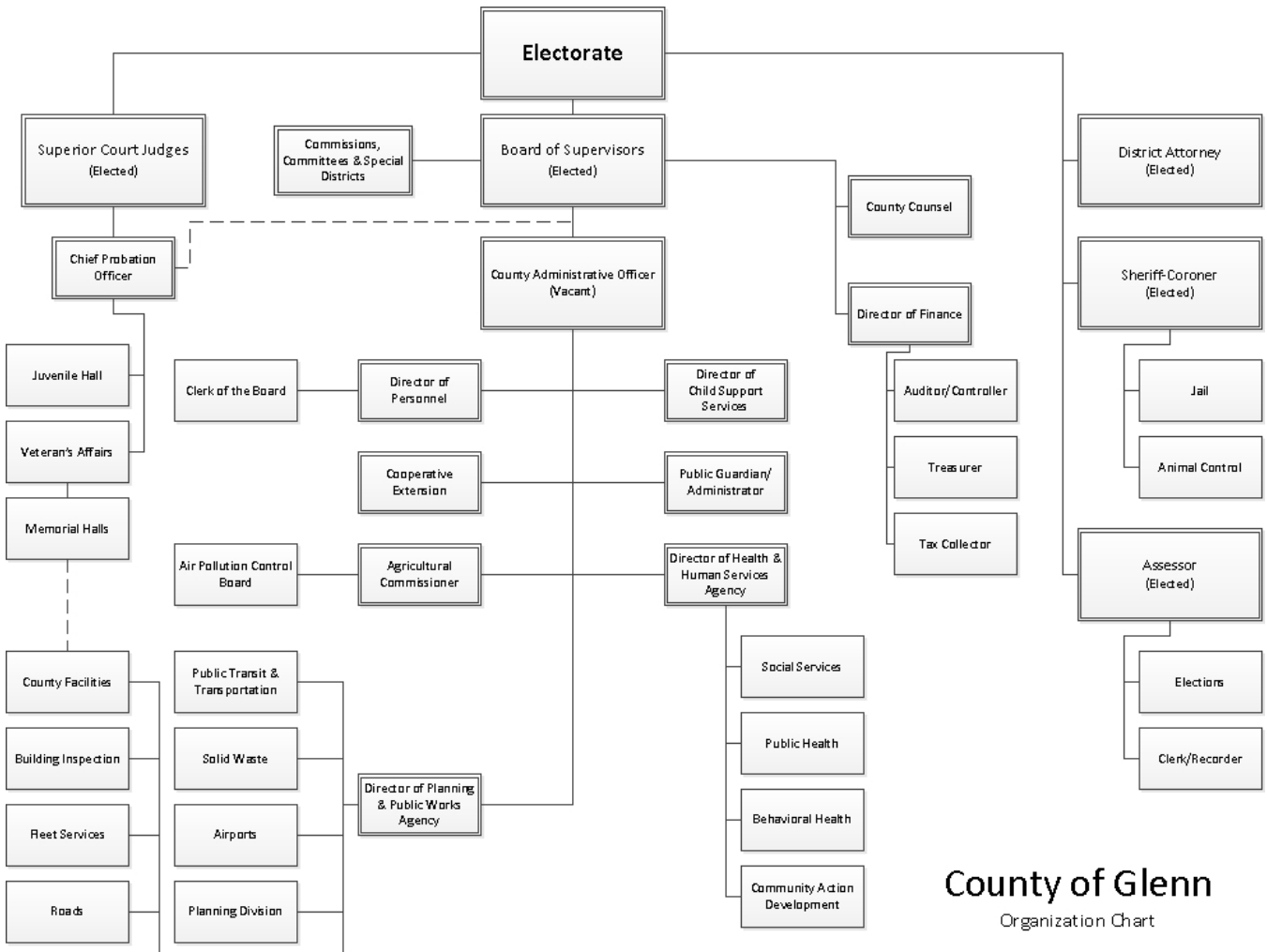
Director of Planning & Public Works – Matthew Gomes & Di Aulabaugh, Co-Deputies

Interim Assessor, Clerk-Recorder, Elections – Charles Meriam

Probation/Veteran's Services Officer– Brandon Thompson

Public Guardian/ Administrator – Jamie Gammon

COUNTY OF GLENN
Organizational Chart
March 9, 2017



County of Glenn
 Organization Chart



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Supervisors and Grand Jury
County of Glenn
Willows, 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 Glenn, California, (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2016, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios and schedule of plan contributions for the County's employees' retirement plan, the schedule of funding progress for the County's other post-employment benefits (OPEB) plan, and budgetary comparison information, as listed in the table of contents, 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

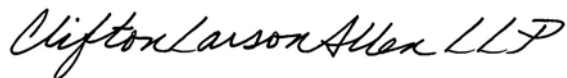
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Glenn's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2017 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Roseville, California
March 9, 2017



MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)



The information in this section is not covered by the Independent Auditor's Report. It is presented as required supplementary information for the benefit of the readers of the Comprehensive Annual Financial Report.

The management's discussion and analysis presents comparative financial information for the current and previous fiscal years. Because the County is showing comparative financial data, it is generally required to restate the previous fiscal years financial information, if there were prior period adjustments made in the current fiscal year. The County has elected to not restate any of the previous year's financial data in the management's discussion and analysis.

In this section of the County's Comprehensive Annual Financial Report ("CAFR"), the County's management discusses financial results for the fiscal year ended June 30, 2016. It should be read in conjunction with the County's financial statements following this section.

I. Financial Highlights

	2015-16	2014-15	\$ Change	% Change
Government-wide Deficit	\$ (7,892,815)	\$ (8,770,112)	\$ 877,297	10.0%
Governmental Fund Balance	\$ 19,546,957	\$ 19,201,271	\$ 345,686	1.8%
General Fund Fund Balance	\$ 3,740,893	\$ 5,784,631	\$ (2,043,738)	(35.3%)
Revenues	\$ 75,409,610	\$ 72,592,682	\$ 2,816,928	3.9%
Expenses	\$ 74,483,289	\$ 70,296,729	\$ 4,186,560	6.0%
Long-term Liabilities	\$ 84,066,790	\$ 77,581,784	\$ 6,485,006	8.4%

II. Overview of the Financial Statements

Basic Financial Statements

The basic financial statements are divided into three different sections: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide an overview of the County's finances, in a manner similar to a private-sector business that is, using the accrual basis of accounting. They demonstrate accountability of Glenn County by showing the extent to which it has met operating objectives efficiently and effectively, using all resources available, and whether it can continue to do so. The Statement of Net Position presents information on all of the County's asset and liabilities, the deferred inflows/outflows of resources, and the difference reported as net position. Over time increases or decreases in net position may serve as a useful indicator whether the financial position of the County is improving or declining.

The Statement of Activities presents information showing how the County's net position changed during the fiscal year. 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. Thus, revenues and expenses are reported for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

The Statement of Net Position and the Statement of Activities distinguish functions of the County that are primarily supported by taxes and aid from other governments (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and interest on long-term debt. The business-type activities of the County include solid waste management, landfill closure, and county airport management.

Fund Financial Statements

The fund financial statements provide evidence of accountability by demonstrating compliance with budgetary decisions made in public forum. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes stipulated by laws, regulations, or policies. The funds of the County are divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental Funds

Governmental funds are used to 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 government's near-term financing requirements.

Because 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 government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

On the fund financial statements for governmental funds, governmental funds are presented separately by five major funds: the General Fund, the Community Action Agency Fund, the Road Fund, the Mental Health Services Act Fund, and the County Local Revenue 2011 Fund. Data from the other governmental funds are aggregated into a single column. Individual fund data for each of these non-major governmental funds is provided in the supplementary information section of this report.

Proprietary Funds

Proprietary funds are comprised of two types; Enterprise funds and Internal Service Funds ("ISF"). Enterprise funds are used to report the same functions as presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Solid Waste Fund, Solid Waste Closure Fund, and its Airport Fund. Internal service funds are used to accumulate and allocate costs internally among the County's various functions.

The County uses internal service funds to account for and allocate costs for the Fleet & Fleet Service Center Fund, County Facilities Fund, and County Services Fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County's internal service funds are combined into a single column and presented in the proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial information provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements, this report presents Required Supplementary Information. The required supplementary information is presented concerning the County's progress in funding its obligation to provide pension benefits and Other Post-Employment Benefits (OPEB) to its employees. The County also includes budgetary comparisons schedules for the major governmental funds.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information budgetary comparisons.

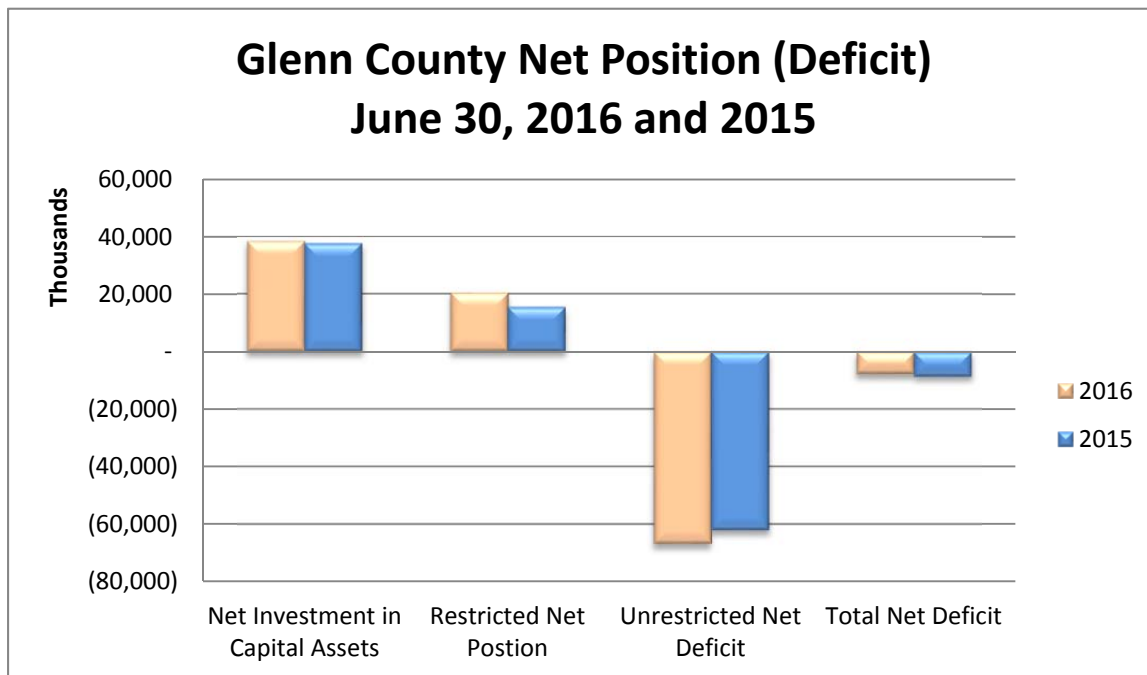
III. Government-Wide Overall Financial Analysis

	Governmental Activities		Business-type Activities		Total		Total	
	2016	2015	2016	2015	2016	2015	\$ Change 2015 to 2016	% Change 2015 to 2016
Current and other assets	\$ 33,749,148	\$ 31,531,161	\$ 8,669,972	\$ 7,699,681	\$ 42,419,120	\$ 39,230,842	\$ 3,188,278	8.1%
Capital assets	40,325,538	39,399,859	1,952,178	1,974,762	42,277,716	41,374,621	903,095	2.2%
Total Assets	74,074,686	70,931,020	10,622,150	9,674,443	84,696,836	80,605,463	4,091,373	5.1%
Total Deferred Outflows of Resources	3,736,835	3,238,270	34,684	35,710	3,771,519	3,273,980	497,539	15.2%
Current and other liabilities	8,899,514	7,345,705	65,511	87,316	8,965,025	7,433,021	1,532,004	20.6%
Long-term liabilities	69,451,158	63,772,576	14,615,632	13,809,208	84,066,790	77,581,784	6,485,006	8.4%
Total Liabilities	78,350,672	71,118,281	14,681,143	13,896,524	93,031,815	85,014,805	8,017,010	9.4%
Total Deferred Inflows of Resources	3,295,501	7,551,421	33,854	83,329	3,329,355	7,634,750	(4,305,395)	(56.4%)
Net investment in capital assets	36,714,279	36,052,069	1,716,576	1,655,595	38,430,855	37,707,664	723,191	1.9%
Restricted net position	21,282,910	15,587,546	-	-	21,282,910	15,587,546	5,695,364	36.5%
Unrestricted net deficit	(61,831,841)	(56,140,027)	(5,774,739)	(5,925,295)	(67,606,580)	(62,065,322)	(5,541,258)	8.9%
Total Net Deficit	\$ (3,834,652)	\$ (4,500,412)	\$ (4,058,163)	\$ (4,269,700)	\$ (7,892,815)	\$ (8,770,112)	\$ 877,297	(10.0%)

The largest positive portion of the County's net position reflects the County's investment in capital assets (e.g. its land, structures and improvements, infrastructure, and equipment and vehicles); net of any related outstanding debt issued to acquire those assets. The County uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the County's investment in its capital assets are 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 retire the related debt.

The largest factor contributing to the net deficit is the unfunded pension liability. The unfunded pension liability is an estimate of how much it will cost the County to fund its pension obligations over time. The County pays benefit payouts as they become due, but does not set aside funds for future pension costs incurred in the current fiscal year.

Restricted net position is subject to external restrictions on how it may be used.

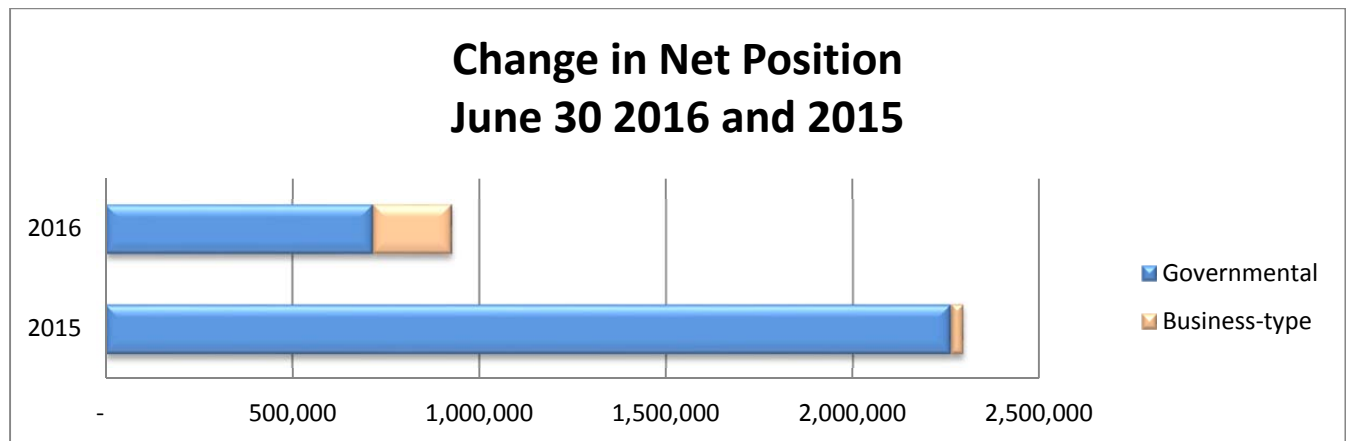


The significant factor contributing to the County's net deficit is the implementation of GASB Statement No. 68 in 2015. GASB 68 required the County to record the unfunded portion of the pension liability, recording the unfunded portion reduced the County's net position significantly.

The following table presents the activities that accounted for the changes in net position.

	Governmental Activities		Business-type Activities		Total		Total	
	2016	2015	2016	2015	2016	2015	\$ Change 2015 to 2016	% Change 2015 to 2016
Revenues:								
Program revenues:								
Charges for services	\$ 12,314,334	\$ 7,891,364	\$ 2,766,692	\$ 2,350,531	\$ 15,081,026	\$ 10,241,895	\$ 4,839,131	47.2%
Operating grants and contributions	47,359,955	40,494,839	43,225	194,911	47,403,180	40,689,750	6,713,430	16.5%
Capital grants and contributions	23,160	5,570,726	-	-	23,160	5,570,726	(5,547,566)	(99.6%)
General revenues:								
Property taxes	6,544,159	6,088,381	-	-	6,544,159	6,088,381	455,778	7.5%
Sales taxes	1,061,082	1,013,477	-	-	1,061,082	1,013,477	47,605	4.7%
Real property transfer taxes	147,574	128,819	-	-	147,574	128,819	18,755	14.6%
Other taxes	16,492	6,555	-	-	16,492	6,555	9,937	151.6%
Franchise fees	646,373	624,752	210,370	-	856,743	624,752	231,991	37.1%
Unrestricted grants and contributions	3,640,683	3,421,057	-	-	3,640,683	3,421,057	219,626	6.4%
Unrestricted investment income	138,727	51,758	21,542	343,481	160,269	395,239	(234,970)	(59.5%)
Miscellaneous revenues	471,523	4,203,045	3,719	208,986	475,242	4,412,031	(3,936,789)	(89.2%)
Total Revenues	72,364,062	69,494,773	3,045,548	3,097,909	75,409,610	72,592,682	2,816,928	3.9%
Program expenses:								
General government	6,549,464	6,309,888	-	-	6,549,464	6,309,888	239,576	3.8%
Public protection	18,852,815	22,234,343	-	-	18,852,815	22,234,343	(3,381,528)	(15.2%)
Public ways and facilities	8,139,741	7,483,035	-	-	8,139,741	7,483,035	656,706	8.8%
Health and sanitation	14,787,266	10,366,544	-	-	14,787,266	10,366,544	4,420,722	42.6%
Public assistance	22,887,338	20,272,064	-	-	22,887,338	20,272,064	2,615,274	12.9%
Education	367,406	395,045	-	-	367,406	395,045	(27,639)	(7.0%)
Interest on long-term debt	119,119	176,437	-	-	119,119	176,437	(57,318)	(32.5%)
Solid waste	-	-	1,336,645	1,774,887	1,336,645	1,774,887	(438,242)	(24.7%)
Solid waste closure	-	-	890,347	651,868	890,347	651,868	238,479	36.6%
Airport	-	-	553,148	632,618	553,148	632,618	(79,470)	(12.6%)
Total Expenses	71,703,149	67,237,356	2,780,140	3,059,373	74,483,289	70,296,729	4,186,560	6.0%
Change in net assets before transfers	660,913	2,257,417	265,408	38,536	926,321	2,295,953	(1,369,632)	(59.7%)
Transfers in/ (out)	53,871	5,000	(53,871)	(5,000)	-	-	-	0.0%
Change in net position	714,784	2,262,417	211,537	33,536	926,321	2,295,953	(1,369,632)	(59.7%)
Net Position (deficit) - Beginning	(4,500,412)	43,575,971	(4,269,700)	(5,840,403)	(8,770,112)	37,735,568	(46,505,680)	(123.2%)
Prior period adjustment	(49,024)	(50,338,800)	-	1,537,167	(49,024)	(48,801,633)	48,752,609	(99.9%)
Net Deficit - Ending	\$ (3,834,652)	\$ (4,500,412)	\$ (4,058,163)	\$ (4,269,700)	\$ (7,892,815)	\$ (8,770,112)	\$ 877,297	(10.0%)

Changes to Net Position are the results of operations and unexpended appropriations.



IV. Financial Analysis of Governmental Funds

As noted earlier, the County is required to use fund accounting to ensure and demonstrate compliance with budgetary and legal requirements.

Governmental Funds

The general government functions are included in the General, Special Revenue, Capital Project, and Debt Service Funds. Included in these funds are the special districts governed by the County 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, total fund balance less the nonspendable portion is a useful measure of the County's net resources available for spending at the end of the fiscal year.

The table below shows the County's governmental funds ending fund balances broken out by component as of June 30, 2016.

Amount	Description
\$ 529,300	These are amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of inventories, prepaid expenses, and outstanding loans receivable.
\$ 18,081,055	These are amounts that are externally constrained by creditors, grantors, contributions, laws, regulations, or enabling legislation.
\$ 235,952	These are amounts that are for specific purposes determined by the Board of Supervisors such as encumbrances.
\$ 15,247	These are amounts that are intended to be used for specific purposes determined by department Directors.
\$ 685,403	These are amounts that represent the residual classification for the County's General Fund.
\$ 19,546,957	

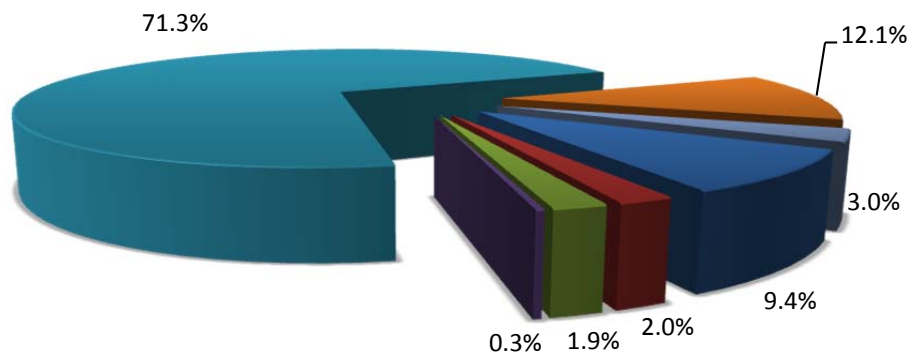
With the approval of the Board of Supervisors, County management may allocate a portion of fund balance to a particular function, project or activity, and may also allocate for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time. The general fund is the main operating fund of the County.

The following table presents revenues from various sources as well as reflecting increases or decreases from the prior fiscal year in the governmental funds.

Revenue Sources	2015-16		2014-15		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
Taxes	\$ 6,708,225	9.4%	\$ 6,223,755	9.7%	\$ 484,470	7.8%
Licenses, permits, and franchises	1,608,056	2.2%	1,360,277	2.1%	247,779	18.2%
Fines, forfeitures, and penalties	1,516,695	2.1%	1,611,882	2.5%	(95,187)	(5.9%)
Revenues from uses of money and property	244,007	0.3%	50,928	0.1%	193,079	379.1%
Aid from other governments	51,030,655	71.2%	48,627,358	75.6%	2,403,297	4.9%
Charges for services	8,464,809	11.8%	5,377,958	8.4%	3,086,851	57.4%
Other	2,103,455	2.9%	1,049,119	1.6%	1,054,336	100.5%
Total Revenue	\$ 71,675,902	100.0%	\$ 64,301,277	100.0%	\$ 7,374,625	11.5%

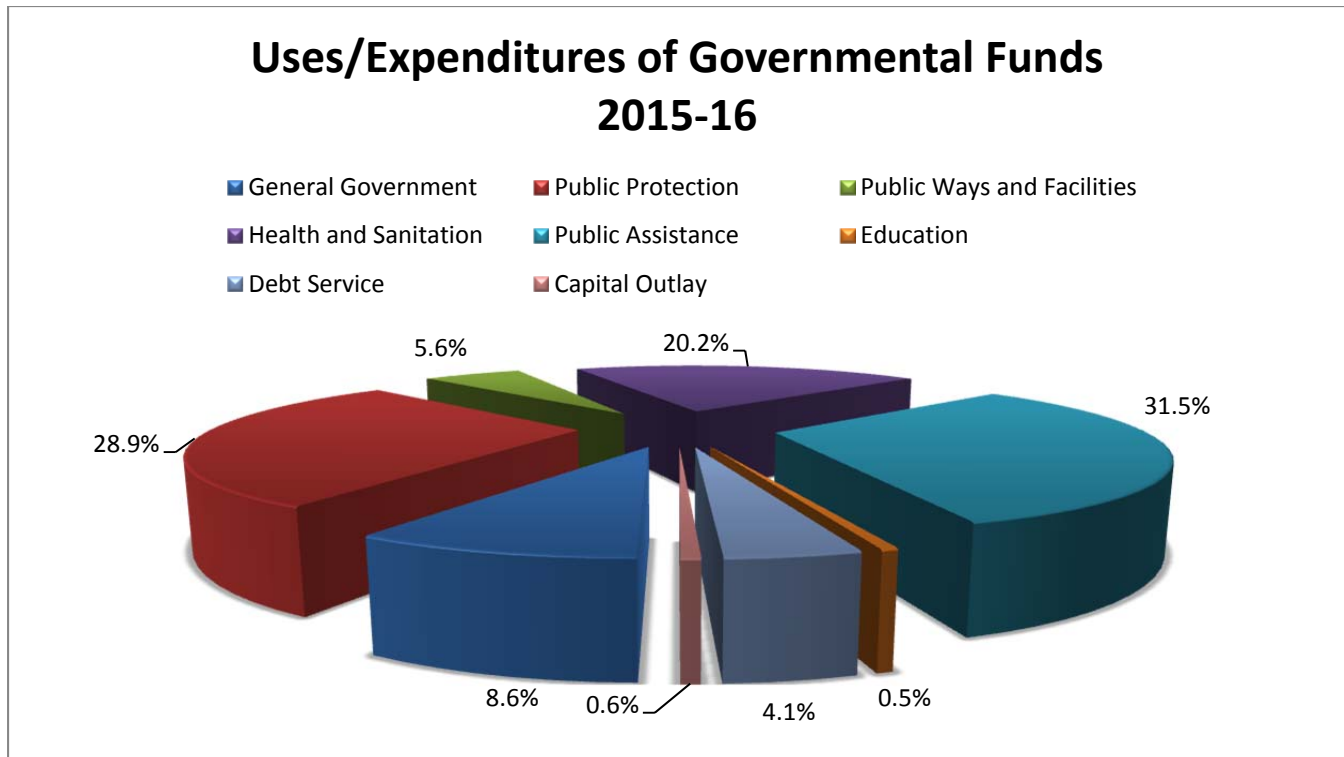
Sources of Revenue - Governmental Funds 2015-16

- Taxes
- Licenses, Permits, and Franchises
- Fines, Forfeitures, and Penalties
- Revenues from Uses of Money and Property
- Aid from other Governments
- Charges for Services
- Other



The following table presents expenditures by function compared to prior fiscal year's amounts in governmental funds.

Expenditures by Function	2015-16		2014-15		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
General government	\$ 6,233,083	8.6%	\$ 4,764,571	7.5%	\$ 1,468,512	30.8%
Public protection	21,012,651	29.1%	21,379,307	33.5%	(366,656)	(1.7%)
Public ways and facilities	4,018,012	5.6%	3,226,573	5.1%	791,439	24.5%
Health and sanitation	14,546,199	20.1%	10,163,013	15.9%	4,383,186	43.1%
Public assistance	22,680,876	31.4%	20,121,599	31.6%	2,559,277	12.7%
Education	375,375	0.5%	391,797	0.6%	(16,422)	(4.2%)
Capital outlay	2,935,979	4.1%	3,461,163	5.4%	(525,184)	(15.2%)
Debt service	430,628	0.6%	248,424	0.4%	182,204	73.3%
Total Expenditures	\$ 72,232,803	100.0%	\$ 63,756,447	100.0%	\$ 8,476,356	13.3%



Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. These funds include the County's enterprise funds; and the internal service funds, which are presented in aggregate.

The following tables present operating revenues and expenses for enterprise and internal service funds compared to prior fiscal year's amounts in proprietary funds.

	2015-16		2014-15		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
Enterprise Funds						
Operating Revenues						
Charges for services	\$ 2,446,072	82.1%	\$ 2,337,002	81.0%	\$ 109,070	4.7%
Rental income	309,511	10.4%	325,517	11.3%	(16,006)	(4.9%)
Other	225,198	7.6%	222,515	7.7%	2,683	1.2%
Total Operating Revenues	2,980,781	100.0%	2,885,034	100.0%	95,747	3.3%
Operating Expenses						
Salaries and benefits	387,417	14.0%	435,458	16.5%	(48,041)	(11.0%)
Services and supplies	2,273,231	82.2%	2,089,941	79.4%	183,290	8.8%
Depreciation	105,364	3.8%	108,381	4.1%	(3,017)	(2.8%)
Total Operating Expenses	2,766,012	100.0%	2,633,780	100.0%	132,232	5.0%
Operating Income	<u>\$ 214,769</u>		<u>\$ 251,254</u>		<u>\$ (36,485)</u>	<u>(14.5%)</u>
Internal Service Funds						
Operating Revenues						
Charges for services	\$ 2,338,518	99.8%	\$ 6,618,925	99.4%	\$ (4,280,407)	(64.7%)
Rental income	2,825	0.1%	3,000	0.0%	(175)	(5.8%)
Other	2,896	0.1%	36,903	0.6%	(34,007)	(92.2%)
Total Operating Revenues	2,344,239	100.0%	6,658,828	100.0%	(4,314,589)	(64.8%)
Operating Expenses						
Salaries and benefits	-	0.0%	4,509,320	64.7%	(4,509,320)	(100.0%)
Services and supplies	2,332,924	89.1%	2,142,757	30.7%	190,167	8.9%
Depreciation	284,293	10.9%	316,401	4.5%	(32,108)	(10.1%)
Total Operating Expenses	2,617,217	100.0%	6,968,478	100.0%	(4,351,261)	(62.4%)
Operating Loss	<u>\$ (272,978)</u>		<u>\$ (309,650)</u>		<u>\$ 36,672</u>	<u>(11.8%)</u>

V. General Fund Budgetary Highlights

The following table presents the original budget, final budget, actual amounts, and variance between final and actual for the governmental funds.

Governmental Funds	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,522,596	\$ 6,522,596	\$ 6,708,225	\$ 185,629
Licenses, permits, and franchises	1,465,706	1,551,398	1,608,056	56,658
Fines, forfeitures, and penalties	1,407,154	1,408,027	1,516,695	108,668
Revenues from uses of money and property	58,180	67,688	244,007	176,319
Aid from other governments	57,843,133	61,485,980	51,030,655	(10,455,325)
Charges for services	9,363,593	9,596,578	8,464,809	(1,131,769)
Other	2,164,247	2,262,016	2,103,455	(158,561)
Total Revenues	78,824,609	82,894,283	71,675,902	(11,218,381)
Expenditures				
General government	7,089,436	6,994,074	6,233,083	(760,991)
Public protection	21,486,618	22,531,910	21,012,651	(1,519,259)
Public ways and facilities	12,190,477	12,238,596	4,018,012	(8,220,584)
Health and sanitation	15,792,744	16,126,869	14,546,199	(1,580,670)
Public assistance	21,526,958	24,473,553	22,680,876	(1,792,677)
Education	401,513	403,113	375,375	(27,738)
Capital outlay	945,572	1,112,571	2,935,979	1,823,408
Debt service	484,353	477,571	430,628	(46,943)
Total Expenditures	79,917,671	84,358,257	72,232,803	(12,125,454)
Excess (Deficiency) of Revenues Over Expenditures	(1,093,062)	(1,463,974)	(556,901)	907,073
Other Financing Sources (Uses)				
Proceeds from capital leases	-	-	575,500	575,500
Sale of capital assets	-	-	635	635
Transfers in	26,401,210	27,353,622	9,276,195	(18,077,427)
Transfers out	(26,656,397)	(27,458,830)	(9,480,448)	17,978,382
Total Other Financing Sources (Uses)	(255,187)	(105,208)	371,882	477,090
Net Change in Fund Balances	\$ (1,348,249)	\$ (1,569,182)	\$ (185,019)	\$ 1,384,163

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets includes land, structures and improvements, equipment and vehicles, construction-in-progress, and infrastructure. The following table provides a comparison between current fiscal year and prior fiscal year capital assets, net of depreciation.

	Governmental Activities		Business-type Activities		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Land	\$ 141,873	\$ 141,873	\$ 1,022,894	\$ 1,022,894	\$ 1,164,767	\$ 1,164,767
Construction in progress	4,641,711	3,711,154	89,749	34,069	4,731,460	3,745,223
Buildings and improvements	9,508,323	9,851,893	753,561	811,208	10,261,884	10,663,101
Equipment	2,953,504	3,193,509	85,974	106,591	3,039,478	3,300,100
Infrastructure	23,080,127	22,501,430	-	-	23,080,127	22,501,430
Total Capital Assets, Net	<u>40,325,538</u>	<u>39,399,859</u>	<u>1,952,178</u>	<u>1,974,762</u>	<u>42,277,716</u>	<u>41,374,621</u>

Additional information on the County's capital assets can be found in the Notes to the Financial Statements section of this report.

Long-term Obligations

The County's long-term obligations includes certificates of participation, loans, capital leases, compensated absences, landfill closure obligation, landfill postclosure obligation, pension obligation, and other post employment obligation.

	Governmental Activities		Business-type Activities		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Certificates of participation	\$ 2,415,000	\$ 2,455,000	\$ -	\$ -	\$ 2,415,000	\$ 2,455,000
Loans	546,450	561,631	-	13,710	546,450	575,341
Capital leases	649,809	331,159	235,603	305,457	885,412	636,616
Compensated absences	1,675,373	1,528,169	30,333	28,982	1,705,706	1,557,151
Landfill postclosure obligation	-	-	4,518,329	3,019,190	4,518,329	3,019,190
Landfill closure obligation	-	-	9,173,658	9,782,450	9,173,658	9,782,450
Net OPEB obligation	15,764,635	14,180,909	179,090	164,866	15,943,725	14,345,775
Pension obligation	48,399,891	44,715,708	478,619	494,553	48,878,510	45,210,261
Total Long-term Liabilities	<u>\$ 69,451,158</u>	<u>\$ 63,772,576</u>	<u>\$ 14,615,632</u>	<u>\$ 13,809,208</u>	<u>\$ 84,066,790</u>	<u>\$ 77,581,784</u>

Additional information on the County's Long-term Obligations can be found in the Notes to the Financial Statements section of this report.

VI. Fiscal Outlook

The County adopted its fiscal year 2016-17 Final Budget in the amount of \$89,279,776. The County continues to face fiscal challenges in the foreseeable future. The single most critical issue facing the County is that costs to provide required services are escalating faster than revenues needed to support them. For example, the County is required to provide for public protection, provision of health, and social services. Rising labor and healthcare costs without at least an equal increase in funding dictate that either the breadth of service or the quality of service must be reduced to stay within the funding limits, thus impacting the ability for the County to serve its constituents as they have come to expect.

VII. Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest. Questions concerning any of the information presented in this report or requests for additional financial information should be addressed to:

Department of Finance
516 West Sycamore Street
Willows, CA 95965

The County's Comprehensive Annual Financial Report can also be found at www.countyofglenn.net.



**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS**



COUNTY OF GLENN

Statement of Net Position
June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 23,820,349	\$ 8,697,722	\$ 32,518,071
Internal balances	209,305	(209,305)	-
Due from other agencies	380,372	1,159	381,531
Accounts receivable	380,543	147,747	528,290
Due from other governments	6,317,961	-	6,317,961
Prepaid expenses	115,517	2,398	117,915
Inventory	165,221	30,251	195,472
Loans Receivable	2,359,880	-	2,359,880
Capital Assets:			
Non-depreciable	4,783,584	1,112,643	5,896,227
Depreciable, net	35,541,954	839,535	36,381,489
Total capital assets	40,325,538	1,952,178	42,277,716
Total Assets	74,074,686	10,622,150	84,696,836
DEFERRED OUTFLOWS OF RESOURCES-PENSION	3,736,835	34,684	3,771,519
LIABILITIES			
Accounts payable	2,909,798	21,084	2,930,882
Salaries and benefits payable	980,792	14,624	995,416
Interest payable	163	2,306	2,469
Deposits payable	18,285	27,497	45,782
Unearned revenue	4,990,476	-	4,990,476
Long-term liabilities:			
Due within one year	778,386	81,347	859,733
Due in more than one year	68,672,772	14,534,285	83,207,057
Total Liabilities	78,350,672	14,681,143	93,031,815
DEFERRED INFLOWS OF RESOURCES-PENSION	3,295,501	33,854	3,329,355
NET POSITION (DEFICIT)			
Net investment in capital assets	36,714,279	1,716,575	38,430,854
Restricted for:			
General government	600,504	-	600,504
Public protection	5,936,204	-	5,936,204
Public ways & facilities	3,441,434	-	3,441,434
Health & sanitation	2,985,849	-	2,985,849
Public assistance	7,064,466	-	7,064,466
Education	591,001	-	591,001
Capital projects	603,482	-	603,482
Debt service	59,970	-	59,970
Unrestricted	(61,831,841)	(5,774,738)	(67,606,579)
Total Net Deficit	\$ (3,834,652)	\$ (4,058,163)	\$ (7,892,815)

The accompanying notes are an integral part of these financial statements.

COUNTY OF GLENN

Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 6,549,464	\$ 3,885,548	\$ 961,828	\$ 23,160	\$ (1,678,928)	\$ -	\$ (1,678,928)
Public protection	18,852,815	4,386,000	6,764,017	-	(7,702,798)	-	(7,702,798)
Public ways and facilities	8,139,741	1,555,905	4,492,208	-	(2,091,628)	-	(2,091,628)
Health and sanitation	14,787,266	2,461,588	11,758,789	-	(566,889)	-	(566,889)
Public assistance	22,887,338	24,481	23,380,731	-	517,874	-	517,874
Education	367,406	812	2,382	-	(364,212)	-	(364,212)
Interest on long-term debt	119,119	-	-	-	(119,119)	-	(119,119)
Total Governmental Activities	71,703,149	12,314,334	47,359,955	23,160	(12,005,700)	-	(12,005,700)
Business-type activities:							
Solid waste	1,336,645	2,170,442	40,000	-	-	873,797	873,797
Solid waste closure	890,347	-	-	-	-	(890,347)	(890,347)
Airport	553,148	596,250	3,225	-	-	46,327	46,327
Total Business-type Activities	2,780,140	2,766,692	43,225	-	-	29,777	29,777
Total Primary Government	\$ 74,483,289	\$ 15,081,026	\$ 47,403,180	\$ 23,160	(12,005,700)	29,777	(11,975,923)
General revenues:							
Taxes:							
Property taxes					6,544,159	-	6,544,159
Sales and use taxes					1,061,082	-	1,061,082
Real property transfer taxes					147,574	-	147,574
Other taxes					16,492	-	16,492
Franchise fees					646,373	210,370	856,743
Grants and contributions - unrestricted					3,640,683	-	3,640,683
Interest and investment earnings					138,727	21,542	160,269
Miscellaneous					471,523	3,719	475,242
Transfers in (out)					53,871	(53,871)	-
Total General Revenues					12,720,484	181,760	12,902,244
Change in Net Position					714,784	211,537	926,321
Net Deficit - Beginning					(4,500,412)	(4,269,700)	(8,770,112)
Prior period adjustment					(49,024)	-	(49,024)
Net Deficit - Beginning, Restated					(4,549,436)	(4,269,700)	(8,819,136)
Net Deficit - Ending					\$ (3,834,652)	\$ (4,058,163)	\$ (7,892,815)

The accompanying notes are an integral part of these financial statements.



**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**



COUNTY OF GLENN

Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Community Action Agency Fund	Road Fund	Mental Health Services Act Fund	County Local Revenue 2011 Fund	Other Governmental Funds	Total
ASSETS							
Cash and investments	\$ 3,626,614	\$ 1,097,257	\$ 2,347,545	\$ 3,862,541	\$ 5,326,152	\$ 5,837,666	\$ 22,097,775
Due from other funds	3,482,034	32,736	339,472	-	-	427,914	4,282,156
Accounts receivable	14,816	282,336	4,763	7,173	1,751	10,916	321,755
Due from other governments	3,781,226	1,000	1,024,676	330,459	659,747	520,853	6,317,961
Prepaid items	94,689	6,964	1,856	-	102	890	104,501
Inventory	-	32,947	99,736	-	-	10,316	142,999
Advances to other funds	281,800	-	-	-	-	1,055,000	1,336,800
Loans receivable	-	2,359,880	-	-	-	-	2,359,880
Total Assets	\$ 11,281,179	\$ 3,813,120	\$ 3,818,048	\$ 4,200,173	\$ 5,987,752	\$ 7,863,555	\$ 36,963,827
LIABILITIES							
Due to other funds	\$ 430,857	\$ 46,560	\$ 212,337	\$ 866,496	\$ 1,276,557	\$ 881,982	\$ 3,714,789
Accounts payable	2,472,283	191,710	131,822	-	3,762	81,183	2,880,760
Accrued salaries and benefits	746,884	43,591	72,612	-	33,677	84,028	980,792
Interest payable	163	-	-	-	-	-	163
Deposits payable	14,480	2,897	-	-	-	908	18,285
Unearned revenue	1,033,332	724	-	3,245,168	693,217	7,019	4,979,460
Advances from other funds	750,000	250,000	-	-	-	305,000	1,305,000
Total Liabilities	5,447,999	535,482	416,771	4,111,664	2,007,213	1,360,120	13,879,249
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	2,092,287	242,409	1,024,676	-	-	178,249	3,537,621
FUND BALANCES							
Nonspendable	376,489	39,911	101,592	-	102	11,206	529,300
Restricted	2,427,802	2,995,318	2,275,009	88,509	3,980,437	6,313,980	18,081,055
Committed	235,952	-	-	-	-	-	235,952
Assigned	15,247	-	-	-	-	-	15,247
Unassigned	685,403	-	-	-	-	-	685,403
Total Fund Balances	3,740,893	3,035,229	2,376,601	88,509	3,980,539	6,325,186	19,546,957
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,281,179	\$ 3,813,120	\$ 3,818,048	\$ 4,200,173	\$ 5,987,752	\$ 7,863,555	\$ 36,963,827

The accompanying notes are an integral part of these financial statements.



COUNTY OF GLENN

Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2016

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

Fund Balances - Total Governmental Funds \$ 19,546,957

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

Land	141,873	
Construction in progress	4,641,711	
Buildings and improvements	18,028,900	
Equipment	11,765,711	
Infrastructure	42,318,958	
Less: accumulated depreciation	<u>(37,759,627)</u>	
Total capital assets		39,137,526

Some of the County's revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, and therefore is reported as unavailable revenue in the governmental funds. 3,537,621

Internal service funds are used by the County to charge the cost of certain County-wide or Department-wide activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 2,953,067

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net position. Balances as of June 30, 2016 are:

Certificates of participation	(2,415,000)	
Loans payable	(546,450)	
Capital leases	(649,809)	
Compensated absences	(1,675,373)	
Net OPEB obligation	(15,764,635)	
Net Pension Liability	<u>(48,399,890)</u>	
Total long-term liabilities		(69,451,157)

Deferred outflows and inflows of resources related to pensions are applicable to future periods, and therefore, are not reported in the governmental funds. Balances as of June 30, 2016 are:

Deferred outflows of resources	3,736,835	
Deferred inflows of resources	<u>(3,295,501)</u>	
Total deferred pension balances		<u>441,334</u>

Net Deficit of Governmental Activities \$ (3,834,652)

The accompanying notes are an integral part of these financial statements.

COUNTY OF GLENN

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	<u>General Fund</u>	<u>Community Action Agency Fund</u>	<u>Road Fund</u>	<u>Mental Health Services Act Fund</u>	<u>County Local Revenue Fund 2011 Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES							
Taxes	\$ 6,369,409	\$ -	\$ -	\$ -	\$ -	\$ 338,816	\$ 6,708,225
Licenses, permits, and franchises	1,204,732	-	13,936	-	-	389,388	1,608,056
Fines, forfeitures, and penalties	1,504,346	-	-	-	-	12,349	1,516,695
Revenues from uses of money and property	118,900	12,166	8,416	9,671	2,348	92,506	244,007
Aid from other governments	30,224,516	1,631,470	3,597,005	2,566,249	6,817,315	6,194,100	51,030,655
Charges for services	6,078,555	9,467	451,043	-	-	1,925,744	8,464,809
Other	837,117	5,484	33,662	-	-	1,227,192	2,103,455
Total Revenues	46,337,575	1,658,587	4,104,062	2,575,920	6,819,663	10,180,095	71,675,902
EXPENDITURES							
Current:							
General government	4,981,294	-	-	-	-	1,251,789	6,233,083
Public protection	17,817,440	-	-	-	1,028,080	2,167,131	21,012,651
Public ways and facilities	-	-	3,243,362	-	-	774,650	4,018,012
Health and sanitation	13,208,310	-	-	7,051	-	1,330,838	14,546,199
Public assistance	16,982,762	2,072,646	-	-	-	3,625,468	22,680,876
Education	375,375	-	-	-	-	-	375,375
Capital Outlay	759,453	-	2,124,627	-	11,037	40,862	2,935,979
Debt Service:							
Principal	80,000	-	-	-	-	231,519	311,519
Interest and other charges	6,149	-	-	-	-	112,960	119,109
Total Expenditures	54,210,783	2,072,646	5,367,989	7,051	1,039,117	9,535,217	72,232,803
Excess (Deficiency) of Revenues Over Expenditures	(7,873,208)	(414,059)	(1,263,927)	2,568,869	5,780,546	644,878	(556,901)
OTHER FINANCING SOURCES (USES)							
Proceeds from capital leases	575,500	-	-	-	-	-	575,500
Sale of capital assets	265	-	370	-	-	-	635
Transfers in	8,161,039	614,077	208,934	-	-	292,145	9,276,195
Transfers out	(1,015,016)	(271,760)	-	(2,568,869)	(5,219,012)	(405,791)	(9,480,448)
Total Other Financing Sources (Uses)	7,721,788	342,317	209,304	(2,568,869)	(5,219,012)	(113,646)	371,882
Net Change in Fund Balances	(151,420)	(71,742)	(1,054,623)	-	561,534	531,232	(185,019)
Fund Balances - Beginning	5,784,631	3,093,546	3,431,224	88,509	-	6,803,362	19,201,272
Prior period adjustment	(1,892,318)	13,425	-	-	3,419,005	(1,009,408)	530,704
Fund Balances - Beginning, Restated	3,892,313	3,106,971	3,431,224	88,509	3,419,005	5,793,954	19,731,976
Fund Balances - Ending	\$ 3,740,893	\$ 3,035,229	\$ 2,376,601	\$ 88,509	\$ 3,980,539	\$ 6,325,186	\$ 19,546,957

The accompanying notes are an integral part of these financial statements.

COUNTY OF GLENN

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities – Governmental Activities
For the Fiscal Year Ended June 30, 2016

The schedule below reconciles the Net Change in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Net Change in Fund Balances - Total Governmental Funds \$ (185,019)

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

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

Capital outlay expenditures are therefore added back to fund balances	2,935,979	
Depreciation expense not reported in governmental funds	<u>(1,935,854)</u>	
		1,000,125

Debt proceeds provide current financial resources to governmental funds; however issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but in the statement of net position the repayment reduces long-term liabilities.

Principal payments		311,519
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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.

Change in unavailable revenue		811,836
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Issuance of debt and capital leases are reported as other financing sources in the governmental funds, however, debt issuance and capital leases are reported as increases to long-term liabilities in the statement of net position.

(575,500)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the full accrual basis, expenses and liabilities are reported regardless of when financial resources are available (net change).

Compensated absences	(147,204)	
Other postemployment benefits (OPEB)	(1,583,726)	
Pension	<u>1,070,304</u>	
		(660,626)

Internal service funds are used by the County to charge the cost of certain County-wide or Department-wide activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

12,449

Change in Net Position of Governmental Activities \$ 714,784

The accompanying notes are an integral part of these financial statements.

COUNTY OF GLENN

Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Solid Waste Operating Fund	Solid Waste Closure Fund	Airport Fund	Total	Internal Service Funds
ASSETS					
Current Assets:					
Cash and investments	\$ 3,553,392	\$ 4,607,707	\$ 536,623	\$ 8,697,722	\$ 1,722,574
Due from other funds	145	370,721	1,353	372,219	57,914
Accounts receivable	136,097	8,472	3,178	147,747	58,787
Prepaid expenses	2,398	-	-	2,398	11,016
Inventory	-	-	30,251	30,251	22,222
Total Current Assets	3,692,032	4,986,900	571,405	9,250,337	1,872,513
Noncurrent Assets:					
Capital assets:					
Nondepreciable	921,567	-	191,076	1,112,643	-
Depreciable, net	82,849	-	756,686	839,535	1,188,012
Total Noncurrent Assets	1,004,416	-	947,762	1,952,178	1,188,012
DEFERRED OUTFLOWS OF RESOURCES-PENSION	34,684	-	-	34,684	-
LIABILITIES					
Current Liabilities:					
Due to other funds	533,524	-	46,841	580,365	39,105
Accounts payable	18,149	-	2,935	21,084	29,038
Accrued salaries and benefits	14,624	-	-	14,624	-
Interest payable	2,306	-	-	2,306	-
Deposits payable	-	-	27,497	27,497	-
Unearned revenue	-	-	-	-	11,016
Advances from other funds	-	-	-	-	28,299
Capital leases	73,764	-	-	73,764	-
Compensated absences	7,583	-	-	7,583	-
Total Current Liabilities	649,950	-	77,273	727,223	107,458
Noncurrent Liabilities:					
Capital leases	161,839	-	-	161,839	-
Compensated absences	22,750	-	-	22,750	-
Postclosure liability	-	4,518,329	-	4,518,329	-
Closure liability	-	9,173,658	-	9,173,658	-
Net OPEB obligation	179,090	-	-	179,090	-
Net pension liability	478,619	-	-	478,619	-
Total Noncurrent Liabilities	842,298	13,691,987	-	14,534,285	-
DEFERRED INFLOWS OF RESOURCES-PENSION	33,854	-	-	33,854	-
NET POSITION (DEFICIT)					
Net investment in capital assets	768,813	-	947,762	1,716,575	1,188,012
Unrestricted	2,436,217	(8,705,087)	494,132	(5,774,738)	1,765,055
Total Net Position (Deficit)	\$ 3,205,030	\$ (8,705,087)	\$ 1,441,894	\$ (4,058,163)	\$ 2,953,067

The accompanying notes are an integral part of these financial statements.

COUNTY OF GLENN

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Solid Waste Operating Fund	Solid Waste Closure Fund	Airport Fund	Internal Service Funds	
			Total		
OPERATING REVENUES					
Charges for services	\$ 2,159,333	\$ -	\$ 286,739	\$ 2,446,072	\$ 2,338,518
Rental income	-	-	309,511	309,511	2,825
Other	222,860	-	2,338	225,198	2,896
Total Operating Revenues	<u>2,382,193</u>	<u>-</u>	<u>598,588</u>	<u>2,980,781</u>	<u>2,344,239</u>
OPERATING EXPENSES					
Salaries and benefits	387,417	-	-	387,417	-
Services and supplies	888,639	890,347	494,245	2,273,231	2,332,924
Depreciation	47,111	-	58,253	105,364	284,293
Total Operating Expenses	<u>1,323,167</u>	<u>890,347</u>	<u>552,498</u>	<u>2,766,012</u>	<u>2,617,217</u>
Operating Income (Loss)	<u>1,059,026</u>	<u>(890,347)</u>	<u>46,090</u>	<u>214,769</u>	<u>(272,978)</u>
NON-OPERATING REVENUES (EXPENSES)					
Aid from other governments	40,000	-	3,225	43,225	-
Investment income	8,301	11,804	1,437	21,542	4,200
Gain on sale of capital assets	-	-	-	-	23,113
Interest expense	(13,478)	-	(650)	(14,128)	(10)
Total Non-Operating Revenue	<u>34,823</u>	<u>11,804</u>	<u>4,012</u>	<u>50,639</u>	<u>27,303</u>
Income (Loss) Before Transfers	<u>1,093,849</u>	<u>(878,543)</u>	<u>50,102</u>	<u>265,408</u>	<u>(245,675)</u>
Transfers in	-	370,721	-	370,721	264,600
Transfers out	(424,384)	-	(208)	(424,592)	(6,476)
Change in Net Position	<u>669,465</u>	<u>(507,822)</u>	<u>49,894</u>	<u>211,537</u>	<u>12,449</u>
Net Position (Deficit) - Beginning	<u>2,535,565</u>	<u>(8,197,265)</u>	<u>1,392,000</u>	<u>(4,269,700)</u>	<u>1,251,599</u>
Prior period adjustment	-	-	-	-	1,689,019
Net Position (Deficit) - Beginning, Restated	<u>2,535,565</u>	<u>(8,197,265)</u>	<u>1,392,000</u>	<u>(4,269,700)</u>	<u>2,940,618</u>
Net Position (Deficit) - Ending	<u>\$ 3,205,030</u>	<u>\$ (8,705,087)</u>	<u>\$ 1,441,894</u>	<u>\$ (4,058,163)</u>	<u>\$ 2,953,067</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF GLENN

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Solid Waste Operating Fund	Solid Waste Closure Fund	Airport Fund	Totals	
				Internal Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Charges for services	\$ 2,352,905	\$ (3,186)	\$ 604,514	\$ 2,954,233	\$ 2,342,814
Payments to suppliers	(903,273)	-	(513,954)	(1,417,227)	(2,333,702)
Payments to employees	(433,092)	-	-	(433,092)	(29,771)
Net Cash Provided (Used) by Operating Activities	<u>1,016,540</u>	<u>(3,186)</u>	<u>90,560</u>	<u>1,103,914</u>	<u>(20,659)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants and other receipts	40,000	-	3,225	43,225	27,761
Interfund loan repayments received	10,867	-	1,093	11,960	18,637
Interfund loans received	533,524	(370,721)	46,841	209,644	67,404
Interfund loans made	(145)	-	(1,561)	(1,706)	(57,914)
Interfund loans repaid	(4,835)	-	(29)	(4,864)	(83,447)
Transfers in	-	370,721	-	370,721	264,600
Transfers out	(424,384)	-	-	(424,384)	(6,476)
Net Cash Provided by Noncapital Financing Activities	<u>155,027</u>	<u>-</u>	<u>49,569</u>	<u>204,596</u>	<u>230,565</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(27,100)	-	(55,680)	(82,780)	(209,847)
Proceeds from sale of capital assets	-	-	-	-	23,113
Principal paid on capital debt	(69,854)	-	(13,710)	(83,564)	(512)
Interest paid on capital debt	(14,179)	-	(650)	(14,829)	(10)
Net Cash Used by Capital and Related Financing Activities	<u>(111,133)</u>	<u>-</u>	<u>(70,040)</u>	<u>(181,173)</u>	<u>(187,256)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	8,301	11,803	1,436	21,540	4,202
Net Increase in Cash and Cash Equivalents	<u>1,068,735</u>	<u>8,617</u>	<u>71,525</u>	<u>1,148,877</u>	<u>26,852</u>
Cash and Cash Equivalents - Beginning	<u>2,484,657</u>	<u>4,599,090</u>	<u>465,098</u>	<u>7,548,845</u>	<u>1,695,722</u>
Cash and Cash Equivalents - Ending	<u>\$ 3,553,392</u>	<u>\$ 4,607,707</u>	<u>\$ 536,623</u>	<u>\$ 8,697,722</u>	<u>\$ 1,722,574</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF GLENN

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Solid Waste Operating Fund	Solid Waste Closure Fund	Airport Fund	Totals	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,059,026	\$ (890,347)	\$ 46,090	\$ 214,769	\$ (272,978)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	47,111	-	58,253	105,364	284,293
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(29,288)	(3,186)	3,820	(28,654)	(12,441)
Prepaid expenses	(2,398)	-	-	(2,398)	(3,978)
Inventory	-	-	(5,604)	(5,604)	957
Deferred outflows of resources	1,026	-	-	1,026	-
(Increase) decrease in:					
Accounts payable	(12,238)	-	(14,105)	(26,343)	2,243
Accrued salaries and benefits	3,133	-	-	3,133	(29,771)
Deposits payable	-	-	2,106	2,106	-
Unearned revenue	-	-	-	-	11,016
Compensated absences	1,352	-	-	1,352	-
Closure/ postclosure liability	-	890,347	-	890,347	-
Net OPEB obligation	14,224	-	-	14,224	-
Net pension liability	(15,933)	-	-	(15,933)	-
Deferred inflows of resources	(49,475)	-	-	(49,475)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,016,540</u>	<u>\$ (3,186)</u>	<u>\$ 90,560</u>	<u>\$ 1,103,914</u>	<u>\$ (20,659)</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF GLENN

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Private Purpose Trust</u>	<u>Investment Trust</u>	<u>Total</u>	<u>Agency Funds</u>
ASSETS				
Cash and investments	\$ 25,192	\$ 38,623,992	\$ 38,649,184	\$ 7,151,092
Due from other funds	-	315,475	315,475	372,539
Interest receivable	46	69,709	69,755	112,168
Advances to other funds	-	72,000	72,000	-
Property taxes receivable	-	-	-	1,933,889
Total Assets	<u>25,238</u>	<u>39,081,176</u>	<u>39,106,414</u>	<u>9,569,688</u>
LIABILITIES				
Due to other funds	-	326,022	326,022	740,022
Advances from other funds	-	72,000	72,000	3,501
Agency obligations	-	-	-	8,826,165
Total Liabilities	<u>-</u>	<u>398,022</u>	<u>398,022</u>	<u>\$ 9,569,688</u>
NET POSITION				
Net position held in trust	<u>25,238</u>	<u>38,683,154</u>	<u>38,708,392</u>	
Total Net Position	<u>\$ 25,238</u>	<u>\$ 38,683,154</u>	<u>\$ 38,708,392</u>	

The accompanying notes are an integral part of these financial statements.

COUNTY OF GLENN

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Private Purpose Trust</u>	<u>Investment Trust</u>	<u>Total</u>
ADDITIONS			
Contributions to investment pool	\$ -	\$ 145,376,968	\$ 145,376,968
Investment income	64	100,394	100,458
Total Additions	<u>64</u>	<u>145,477,362</u>	<u>145,477,426</u>
DEDUCTIONS			
Distributions from investment pool	-	140,939,571	140,939,571
Change in Net Position	<u>64</u>	<u>4,537,791</u>	<u>4,537,855</u>
Net Position - Beginning	25,174	34,481,556	34,506,730
Prior period adjustment	-	(336,193)	(336,193)
Net Position - Beginning, Restated	<u>25,174</u>	<u>34,145,363</u>	<u>34,170,537</u>
Net Position - Ending	<u>\$ 25,238</u>	<u>\$ 38,683,154</u>	<u>\$ 38,708,392</u>

The accompanying notes are an integral part of these financial statements.





**BASIC FINANCIAL STATEMENTS –
NOTES TO THE FINANCIAL STATEMENTS**



COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 Glenn, Department of Finance, 516 W. Sycamore Street, Willows, CA 95988 or by visiting the County's website located at:

<http://www.countyofglenn.net>

A. Reporting Entity

The County of Glenn, which was incorporated as a County in 1891, is a legal subdivision of the State of California charged with governmental powers. The County's powers are exercised through a Board of Supervisors, which, as the governing body of the County, is responsible for the legislative and executive control of the County. As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units; legally separate entities for which the County is considered to be financially accountable. Financial accountability is demonstrated by the County Board of Supervisors acting as the governing board for each of the component units.

Blended component units, although legally separate entities are, in substance, part of the County's operations; therefore data from these units are combined with data of the primary government. Each blended component unit has a June 30, 2016 fiscal year-end.

Discretely presented component units, also legally separate entities are separately stated from the County in the financial report. Discretely presented component units would be financially accountable to the County but for all practical purposes, would function on their own. The County currently does not report any discretely presented component units.

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14 "The Financial Reporting Entity."

Based on the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, the reporting entity also includes the following blended component units, which are Special Districts under control of the Board of Supervisors:

Included in the Reporting Entity

Air Pollution Control District
Artois Fire District
Bayliss Fire District
Hamilton Fire District
North Willows County Service Area

Olive Fruit Fly Pest District
Storm Drain Maintenance #1
Storm Drain Maintenance #3
Willows Rural Fire District

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Excluded from the Reporting Entity

Local Board Governed Districts and School Districts: These potential component units have been excluded from the reporting entity because they are not financially accountable to the County. They are legally separate primary governmental units which provide services to residents, generally within the geographic boundaries of the County. The financial reporting for these governmental entities, which are independent of the County, are limited to the total amount for cash and investments and the related fiduciary responsibilities of the County for disbursement of these assets. Activities of local board governed districts and school districts are administered by boards which are separately elected and which are independent of the County Board of Supervisors.

B. Basis of Presentation

New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

GASB Statement No. 72 – Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. See notes no. 1D and 2 for additional information required by this Statement.

GASB Statement No. 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles.

This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. There was no significant impact on the County's financial statements as a result of the implementation of this Statement.

GASB Statement No. 79 – Certain External Investment Pools and Pool Participants. This Statement established accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures, for financial reporting purposes, all of its investments at amortized cost. This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. There was no financial statement effect as a result of the implementation of this statement.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while the business-type activities column incorporates data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The statement of activities presents a comparison between program expenses and program revenues for each segment of the business-type activities of the County, and for each function of the County's governmental activities. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include: 1) charges paid by the recipients of goods or services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

The County has no discretely presented component units at this time, but will continue to assess for any potential component units. If a component unit is later identified, it may not be considered as a major component unit, but would nevertheless be shown in a separate column in the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the government's funds including its fiduciary funds and blended component units. Separate statements for each fund category, governmental, proprietary, and fiduciary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds. Each fund is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

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 public protection, public ways and facilities, health and sanitation, public assistance and education.
- The *Community Action Agency Fund* is a special revenue fund used to account for program operations for low income, elderly, disabled, and minority residents by providing financial assistance for shelter, housing, and food. Individual and family programs protect adults and children, assist youth and families in properly handling their family conflicts, and help people become employed. Victim witness services and youth mentoring programs are also provided. Funding comes primarily from state and federal grant revenues and user fees.
- The *Road Fund* is a special revenue fund used to account for revenues and expenditures related to the maintenance of over 860 miles of County roads of which approximately 700 miles are paved, numerous storm drainage ditches and culverts, over 200 bridges, traffic control systems, and a fleet of heavy construction equipment. Funding comes primarily from the state and federal grants and user fees.
- The *Mental Health Services Act (MHSA) Fund* is a special revenue fund used to account for funding of personnel and other resources to support County mental health programs provided for by the Act. Funding comes primarily from state and federal grants.
- The *County Local Revenue 2011 Fund* is a special revenue fund used to account for revenues and expenditures for the exclusive provision of specific public safety services related to appropriate rehabilitative, housing and supervision services to youthful offenders.

The County reports all three of its enterprise activities as major enterprise funds:

- The *Solid Waste Operating Fund* is an enterprise fund responsible for the operation and maintenance of the County Solid Waste Landfill operated by the County's public works department.
- The *Solid Waste Closure Fund* is an enterprise fund used to account for revenues and expenses related to the future closure and postclosure maintenance of the landfill.
- The *Airport Fund* is an enterprise fund used to account for revenues and expenses related to the Orland and Willows airports.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet management services, County facilities, and centralized County services.
- The *Private Purpose Trust* accounts for an endowment received by the County in which the income from the principal is used for the purchase of books and supplies for the Chester Walker Memorial Library in Hamilton City.
- The *Investment Trust* accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment pool, which combines resources in the investment portfolio for the benefit of all participants. These entities include school districts, other special districts governed by local boards, regional boards, and authorities.
- The *Agency Funds* are custodial in nature and do not involve measurement of the results of operations. Such funds have no fund balance accounts, since all assets are due to individuals or entities at some future time. These funds account for assets held by the County as an agent for other government units or individuals under the conservation of the Glenn County Public Administrator & Guardian.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide 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 the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which the taxes are levied. Operating revenues are those that result from providing services. Operating expenses for proprietary 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. Grants and similar items are recognized in the fiscal year in which all eligible requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means that revenues will be collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues are recognized in the current year if they are collected within 45 days of fiscal year end. For all other revenues, County considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Revenues not considered available are recorded as unavailable revenue, a type of deferred inflows. The County's other primary revenue sources: investment income, aid from other governments, and charges for services have been treated as "susceptible to accrual" under the modified accrual basis.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (continued)

Licenses and permits, fines, forfeitures and penalties, and other revenues are not considered “susceptible to accrual” under the modified accrual basis and are recorded as revenues when received. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

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

D. Cash and Cash Equivalents

The County maintains a Cash and Investment Pool that holds deposits for all County funds, Glenn County Schools, Special Districts, and certain other local agency depositors. For some entities, participation is mandatory. Some of the outside agencies under mandatory participation in the Investment Pool are Superior Court, Special Districts governed by local boards, and School districts. Other local agencies may qualify to participate on a voluntary basis.

The Pool is not registered as an investment company with the Securities and Exchange Commission (SEC), nor is it an SEC Rule 2a7- like pool. The Treasurer’s Statement of Investment Policy is prepared in accordance with California Government Code, and approved annually by the County’s Board of Supervisors.

State statutes and the County’s investment policy authorize the County Treasurer to invest in instruments described in California Government Code §53601 and §53635, including but not limited to, U.S. Government Treasury and Agency Securities, bankers’ acceptances, commercial paper, corporate bonds and notes, repurchase agreements and the State Treasurer’s Local Agency Investment Fund (LAIF).

The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2016 to support the values of shares in the Pool. However, management believes that the investments in the Pool are of high quality and that the risk of participation in the Pool is negligible.

The Pool values participants’ shares on an amortized cost basis. Specifically, the Pool distributes income to participants quarterly based on their relative participation during the quarter, which is calculated based on: 1) realized investment gains and losses computed on an amortized cost basis, 2) interest income based on stated rates (both paid and accrued), 3) amortization of discounts and premiums on straight-line basis, and 4)

investment and administrative expenses. This method differs from the valuation techniques used to measure the fair value of the County’s investments, as described below, because the amortized cost valuation technique is not designed to distribute to participants all unrealized gains and losses. Investment income related to investments reported in certain funds may be assigned to other funds based upon legal or contractual provisions. The County measures the Pool’s investments at fair value on a monthly basis. As of June 30, 2016, the valuation of the Pool’s investments at amortized cost approximates fair value.

For purposes of the accompanying statement of cash flows – Proprietary Funds, the County considers all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer’s investment pool, to be cash equivalents.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents (continued)

Fair Value Measurements

Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value.

GASB Statement No. 72 provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1 Inputs to the valuation technique are unadjusted quoted prices for identical assets and liabilities in active markets that the County can access.

Level 2 Inputs to the valuation technique include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 inputs must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation technique are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents (continued)

Following is a description of the valuation techniques used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016.

US Treasury Notes, Governmental Agencies, and Corporate Notes: Valued at the closing price reported on the active market on which the individual securities are traded.

Local Agency Investment Fund: Valued at the closing price reported on the active markets on which the individual securities are traded. The fair value of the County's investment in this pool is based upon the County's pro-rata share of the fair value measurements provided by the Office of the State Treasurer.

Teeter Note: The Teeter note (the Note) is valued at carrying value, which approximates fair value. The Note pays interest on the average rate paid on total investments held by the Glenn County Treasury pool. The Note matures each fiscal year, requiring the Glenn County Board of Supervisors to payoff the existing note and reissue a new Teeter note. The County pledges all secured taxes collected which were delinquent as of June 30, 2015.

The methods described above may produce a fair value calculation that may not be indicative of future fair values. Furthermore, while the County believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

E. Receivables

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

F. Inventory

Inventory is valued at cost, which is determined on a first-in, first-out basis, and consists primarily of expendable supplies held for consumption. The costs are recorded as expenditures when the items are used. In the governmental fund balance sheet, the inventory balance is reported as nonspendable, as these amounts are not available for appropriation.

G. Prepaid Items

Payments made for services that will benefit future accounting periods are recorded as prepaid items. In the governmental funds balance sheet, the amount of prepaid items is reported as nonspendable, as these amounts are not available for appropriation.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Property Taxes

Property taxes attach as an enforceable lien on January 1. Secured taxes are levied on July 1 and are payable in two installments delinquent after December 10 and April 10. All general property taxes are then allocated by the County Department of Finance to the various taxing entities per the legislation that implemented Proposition 13. The method of allocation used by the County is subject to review by the State of California.

Alternative Method of Distribution of Tax Levies

The County is required to create a tax loss reserve fund (an agency fund) under one of two alternative methods: 1) one percent of total amount of taxes levied on the secured roll for the year or 2) twenty-five percent of the total delinquent secured taxes as calculated at the end of the fiscal year. The County is using one percent of the total amount of taxes levied on the secured roll for the year to establish its tax loss reserve.

The County utilizes the alternative method of property tax distribution, whereby the County, through the legally required Tax Resource Agency Fund, purchases the current secured unpaid taxes remaining at year-end from participating agencies. In return, the Tax Resource Agency Fund records a tax receivable and receives the delinquent secured taxes. The Tax Loss Reserve Agency Fund receives delinquent penalties and redemption interest accruing to delinquent collections related to participating agencies. The participating agencies, including the County, the special districts, and the school districts, in turn, receive their full tax distribution with no liability for uncollected taxes to the Tax Resource Agency Fund. Therefore to the participating agencies, revenue is measureable and available and is recorded in the period the payment of current secured unpaid taxes is received.

I. Loans Receivable

Loans receivable relate to the Housing and Community Development Program funded by federal, state, and local monies. Loans receivable are restricted by the terms of the grant, and accordingly, are reported as a restricted component of fund balance. The balance of loans receivable includes loans that may be forgiven if certain terms and conditions of the loans are met. No amount has been provided as an allowance for doubtful accounts because, in the opinion of management, all material amounts are fully collectable.

J. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost, or estimated historical cost, if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, water/sewer, lighting systems, drainage systems, and flood control. The County defines capital assets as assets with an initial individual cost of more than \$5,000 for building, land improvements, equipment, machinery, and computer software; more than \$25,000 for infrastructure; and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over the lesser of the capital lease period or the estimated useful lives in the government-wide statements, and the proprietary funds with exception to vehicles which generally are depreciated over the number of miles driven.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (continued)

The estimated useful lives are as follows:

<u>Depreciable Asset</u>	<u>Estimated Useful Life</u>
Equipment, Machinery, & Software	3-15 years
Vehicles	90,000 to 100,000 miles
Structures and land improvements	10-40 years
Infrastructure	40+ 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.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position/balance sheet 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/fund balance that applies to a future period(s), and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County recognizes pension contributions made after the CalPERS accounting valuation report measurement date as deferred outflows of resources as well as differences arising from other pension actuarial differences such as differences between expected and actual experience, changes of assumptions, and differences between projected and actual earnings on pension plan investments.

In addition to liabilities, the statement of net position/balance sheet 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/fund balance that applies to a future period(s), and so will not be recognized as an inflow of resources (revenue) until that time. The County recognizes differences arising from pension actuarial differences such as differences between expected and actual experience, changes of assumptions, and differences between projected and actual earnings on pension plan investments as deferred inflows of resources. The County also recognizes unavailable revenue under the modified accrual basis of accounting. Unavailable revenue is reported only when the County has revenues that have not been received within the modified accrual period of 45 days. These amounts are deferred and recognized as an inflow of resources in the period that the amount became available.

L. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation leave. In the government-wide financial statements the accrued compensated absences are 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 are 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.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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) plans (Plans) and additions to, or deductions from the Plans' 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.

N. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and 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). 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 fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

All interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation. All transfers within the same fund are eliminated for financial statement purposes.

O. Use of 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.

P. Presentation of Financial Information Related to the County's Fiduciary Responsibilities (continued)

The basic financial statements also include Private Purpose Trust and Investment Trust to account for cash and investments held by the County Treasurer for numerous self-governed school and special districts. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and other assets, and the related fiduciary responsibility of the County for the disbursement of these assets. School and special district boards that are separately elected, and that are independent of the County Board of Supervisors, administer the activities of the school and special districts.

The County Treasurer makes disbursements upon the request of the responsible self-governed special district officers. The Board has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or appropriate surplus funds available in these entities. Therefore, these entities are fiscally independent of the County. Two cities and numerous self-governed special districts provide services to the residents of the County. The operations of these entities have been excluded from the basic financial statements, since each entity conducts its own day-to-day operations, and is controlled by its own governing board.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position

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

- Net investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or legislation.
- Unrestricted – This category represents net position of the County, not restricted for any project or other purpose.

Net Position Policy – Based on the County's policy regarding the Net Position classifications when both restricted and unrestricted funds are available for expense, restricted funds should be spent first unless legal requirements disallow it.

R. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- Nonspendable Fund Balance – Amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).
- Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.
- Committed Fund Balance – Amounts that can be used only for the specific purpose determined by a resolution approved by the Board of Supervisors. Commitments remain binding unless changed or lifted only by the Board of Supervisors taking the same formal action that imposed the constraint originally. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.
- Assigned Fund Balance – Amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year's budget.
- Unassigned Fund Balance – The residual classification for the General Fund, including all other amounts not contained in any other classifications. Unassigned amounts are technically available for any purpose.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Balance (continued)

Fund Balance Policy – Based on the County’s policy regarding the fund balance classifications when both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When expenditures are incurred for which amounts in any unrestricted fund balance classification could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

S. Fund Reporting

Some of the County’s funds were reported as different fund types as of June 30, 2016, to be consistent with the nature of the funds’ activities and with the County’s current accounting and reporting practices. The Underground Storage Tanks, Environmental Management, Tri County Bee, Health & Human Resource Agency Administration, and Public Works Administration funds were reported as governmental funds as of June 30, 2016; instead of internal service funds. As a result, the beginning fund balances for the governmental funds and internal service funds decreased and increased by \$5,063,566, respectively.

NOTE 2: CASH AND INVESTMENTS

As of June 30, 2016, the County’s cash and investments are reported in the financial statements as follows:

Statement of Net Position:

Primary government	\$ 32,518,071
Fiduciary funds	45,800,276
Total Cash and Investments	<u>\$ 78,318,347</u>

Cash and investments as of June 30, 2016 consisted of the following:

Cash in bank - revolving and custodial	\$ 452,337
Deposits in treasurer's pool (less outstanding warrants)	5,369,605
Investments	72,496,405
Total Cash and Investments	<u>\$ 78,318,347</u>

Investments Authorized by the California Government Code and the County’s Investment Policy

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.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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

- Banker's Acceptances
- Commercial Paper
- Local Agency Investment Fund (LAIF)
- Medium-Term Notes
- Money Market Funds
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Securities of the Federal Government or its Agencies
- Registered Treasury Notes and Bonds of the State of California
- Registered Treasury Notes and Bonds of any of the other 49 United States
- Local Agency Obligations
- Time Deposits
- California Asset Management Program (CAMP)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the County manages its exposure to interest rate risk is by holding a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The County limits its exposure to interest rate risk inherent in its portfolio by limiting individual maturities to 5 years or less.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
US Treasury Notes	0.957 - 2.750%	\$ -	\$ 2,962,581	\$ 2,962,581	2.00
Governmental Agencies	0.587 - 1.362%	6,958,038	6,980,054	13,938,092	1.30
Corporate Notes	0.601 - 1.270%	4,840,546	1,202,176	6,042,722	0.48
Certificates of Deposits	0.200%	3,018,532	-	3,018,532	0.92
Money Markets	Variable	5,231,273	-	5,231,273	-
LAIF	Variable	37,661,628	-	37,661,628	0.46
CAMP	Variable	1,241,577	-	1,241,577	1.15
Teeter Note	Variable	2,400,000	-	2,400,000	1.00
Total Investments		\$ 61,351,594	\$ 11,144,811	\$ 72,496,405	0.91

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

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

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Rating</u>	<u>Percent of Portfolio</u>
US Treasury Notes	N/A	AA+	Aaa	4.09%
Governmental Agencies	N/A	AA+	Aaa	19.22%
Corporate Note	A	AA+	A1	1.38%
Corporate Note	A	A	A1	2.52%
Corporate Note	A	AA-	Aa3	2.77%
Corporate Note	A	A	A2	1.66%
Certificate of Deposit	N/A	Unrated	Unrated	4.16%
Money Market Account	N/A	Unrated	Unrated	6.80%
Money Market Account	N/A	Unrated	Unrated	0.41%
LAIF	N/A	Unrated	Unrated	51.97%
CAMP	N/A	Unrated	Unrated	1.71%
Teeter Note	N/A	Unrated	Unrated	3.31%
Total				<u>100.00%</u>

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. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total County investments are as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>Investment Balance</u>	<u>Percentage of Total Investments</u>
Governmental Agencies	Freddie Mac	\$ 5,992,107	8.27%
Governmental Agencies	Fannie Mae	5,948,204	8.20%
Money Market Account	Umpqua Bank	4,931,718	6.80%

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk of deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. To mitigate the custodial credit risk the County requires that all of its managed investments be held in safekeeping by a third party bank trust department acting as agent for the County. The County's investment pool had no securities exposed to custodial credit risk.

Investment in State Investment Pool

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. 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. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the County's investment in this pool is reported in the accompanying financial statements at amounts based upon the County's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on the amortized cost basis.

Investment in California Asset Management Program

The County also maintains an investment in the California Asset Management Program (CAMP) a California JPA established in 1989 by the treasurers and finance directors of several California agencies. CAMP was created to provide professional investment services to California public agencies at a reasonable cost. The fair value of the County's position in the pool is approximately the same as the value of the pool shares.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Treasury Investment Pool

Condensed Financial Information for the Treasurer's Investment Pool

In lieu of separately issued financial statements for the Treasurer's investment pool, condensed financial information is presented below as of and for the fiscal year ended, June 30, 2016:

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total Pool</u>
Statement of Net Position			
Cash on hand	\$ 28,650	\$ 423,687	\$ 452,337
Deposits (Less outstanding warrants)	2,240,456	3,129,149	5,369,605
Investments	30,248,965	42,247,440	72,496,405
Net Position on June 30, 2016	<u>\$ 32,518,071</u>	<u>\$ 45,800,276</u>	<u>\$ 78,318,347</u>
Statement of Changes in Net Position			
Net position on July 1, 2015	\$ 28,882,075	\$ 41,735,853	\$ 70,617,928
Net changes in investments by pool participants	3,635,996	4,064,423	7,700,419
Net Position on June 30, 2016	<u>\$ 32,518,071</u>	<u>\$ 45,800,276</u>	<u>\$ 78,318,347</u>

Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the County's investments at fair value as of June 30, 2016:

		<u>Fair Value Measurements</u>	
Investments by fair value level	<u>Total</u>	<u>Level 1</u>	<u>Level 3</u>
US Treasury Notes	\$ 2,962,581	\$ 2,962,581	\$ -
Governmental Agencies	13,938,092	13,938,092	-
Corporate Notes	6,042,722	6,042,722	-
Teeter Note	2,400,000	-	2,400,000
Total investments by fair value level	<u>\$ 25,343,395</u>	<u>\$ 22,943,395</u>	<u>\$ 2,400,000</u>
Investments measured at cost-basis			
Certificate of Deposit	\$ 3,018,532		
Investments measured at amortized cost			
LAIF	\$ 37,661,628		
CAMP	1,241,577		
Money Market Accounts	5,231,273		
Total Investments	<u>\$ 72,496,405</u>		

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 3: 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 other or due to other funds. The following are due from and due to balances as of June 30, 2016:

Due To Other Funds	Due From Other Funds	Amount
General Fund	General Fund	\$ 356,923
	Community Action Agency Fund	10,414
	Road Fund	11,876
	Mental Health Service Act Fund	866,496
	County Local Revenue 2011 Fund	1,276,536
	Nonmajor Governmental Funds	569,457
	Solid Waste Fund	24,998
	Internal Service Funds	173
	Fiduciary Funds	365,161
		3,482,034
Community Action Agency Fund	General Fund	13,838
	Community Action Agency Fund	18,158
	Solid Waste Fund	169
	Airport Fund	168
	Fiduciary Funds	403
		32,736
Road Fund	General Fund	16,443
	Community Action Agency Fund	17,006
	Nonmajor Governmental Funds	236,107
	Solid Waste Fund	29,386
	Airport Fund	31,416
	Internal Service Funds	6,806
	Fiduciary Funds	2,308
		339,472
Nonmajor Governmental Funds	General Fund	14,455
	Road Fund	200,125
	Nonmajor Governmental Funds	30,112
	Solid Waste Fund	108,251
	Airport Fund	15,257
	Internal Service Funds	32,115
	Fiduciary Funds	27,599
		427,914
Solid Waste Fund	General Fund	5
	Fiduciary Funds	140
		145
Solid Waste Closure Fund	Solid Waste Fund	370,721
Subt-total carried over to next page		\$ 3,482,034

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 3: INTERFUND TRANSACTIONS (CONTINUED)

Due To/From Other Funds (continued)

Due To Other Funds	Due From Other Funds	Amount
Sub-total carried over from previous page		<u>\$ 3,482,034</u>
Airport Fund	Road Fund	335
	Fiduciary Funds	1,018
		<u>1,353</u>
Internal Service Funds	General Fund	24,589
	Community Action Agency Fund	982
	Nonmajor Governmental Funds	32,343
		<u>57,914</u>
Fiduciary Funds	General Fund	4,603
	County Local Revenue 2011 Fund	22
	Nonmajor Governmental Funds	13,961
	Internal Service Funds	11
	Fiduciary Funds	669,417
		<u>688,014</u>
Total Due To/Due From Other Funds		<u>\$ 5,367,567</u>

Advances To/From Other Funds

Advances to/from other funds are noncurrent interfund loans and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not in spendable form. The following are advances to/from other funds as of June 30, 2016:

Advances From Other Funds	Advances To Other Funds	Amount
General Fund	Community Action Agency Fund	\$ 250,000
	Internal Service Funds	28,299
	Fiduciary Funds	3,501
		<u>281,800</u>
Nonmajor Governmental Funds	General Fund	750,000
	Nonmajor Governmental Funds	305,000
		<u>1,055,000</u>
Fiduciary Funds	Fiduciary Funds	72,000
Total		<u>\$ 1,408,800</u>

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 3: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments, debt service, reimbursement of various County operations, or re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2016:

<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Community Action Agency Fund	\$ 613,662	Transfer for County operations
	Nonmajor Governmental Funds	133,135	Transfer for County operations
	Nonmajor Governmental Funds	3,619	Transfer for debt service
	Internal Service Funds	264,600	Transfer for County operations
		<u>1,015,016</u>	
Community Action Agency Fund	General Fund	57,138	Transfer for special revenue allocation
	Road Fund	208,934	Transfer for special revenue allocation
	Nonmajor Governmental Funds	5,688	Transfer for debt service
		<u>271,760</u>	
Mental Health Service Act Fund	General Fund	2,568,869	Transfer for special revenue allocation
County Local Revenue 2011 Fund	General Fund	5,218,817	Transfer for special revenue allocation
	Nonmajor Governmental Funds	195	Transfer for debt service
		<u>5,219,012</u>	
Nonmajor Governmental Funds	General Fund	263,784	Transfer for special revenue allocation
	Nonmajor Governmental Funds	142,007	Transfer for debt service
		<u>405,791</u>	
Solid Waste Fund	General Fund	45,955	Transfer for County operations
	Community Action Agency Fund	208	Transfer for County operations
	Nonmajor Governmental Funds	7,500	Transfer for County operations
	Solid Waste Closure Fund	370,721	Transfer for Landfill Closure
		<u>424,384</u>	
Airport Fund	Community Action Agency Fund	208	Transfer for County operations
Internal Service Funds	General Fund	6,476	Transfer for County operations
Total		<u>\$ 9,911,516</u>	

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2016
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 141,873	\$ -	\$ -	\$ -	\$ 141,873
Construction in progress	3,711,154	2,530,561	-	(1,600,004)	4,641,711
Total Capital Assets, Not Being Depreciated	3,853,027	2,530,561	-	(1,600,004)	4,783,584
Capital Assets, Being Depreciated:					
Buildings and Improvements	18,182,862	52,676	-	-	18,235,538
Equipment	14,378,462	562,625	(76,168)	-	14,864,919
Infrastructure	40,718,954	-	-	1,600,004	42,318,958
Total Capital Assets, Being Depreciated	73,280,278	615,301	(76,168)	1,600,004	75,419,415
Less Accumulated Depreciation For:					
Buildings and Improvements	(8,330,969)	(396,246)	-	-	(8,727,215)
Equipment	(11,184,953)	(802,630)	76,168	-	(11,911,415)
Infrastructure	(18,217,524)	(1,021,307)	-	-	(19,238,831)
Total Accumulated Depreciation	(37,733,446)	(2,220,183)	76,168	-	(39,877,461)
Total Capital Assets, Being Depreciated, Net	35,546,832	(1,604,882)	-	1,600,004	35,541,954
Governmental Activities Capital Assets, Net	\$ 39,399,859	\$ 925,679	\$ -	\$ -	\$ 40,325,538
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,022,894	\$ -	\$ -	\$ -	\$ 1,022,894
Construction in progress	34,069	55,680	-	-	89,749
Total Capital Assets, Not Being Depreciated	1,056,963	55,680	-	-	1,112,643
Capital Assets, Being Depreciated:					
Buildings and Improvements	1,649,648	-	-	-	1,649,648
Equipment	2,428,392	27,100	-	-	2,455,492
Total Capital Assets, Being Depreciated	4,078,040	27,100	-	-	4,105,140
Less Accumulated Depreciation For:					
Buildings and Improvements	(838,440)	(57,647)	-	-	(896,087)
Equipment	(2,321,801)	(47,717)	-	-	(2,369,518)
Total Accumulated Depreciation	(3,160,241)	(105,364)	-	-	(3,265,605)
Total Capital Assets, Being Depreciated, Net	917,799	(78,264)	-	-	839,535
Business-Type Activities Capital Assets, Net	\$ 1,974,762	\$ (22,584)	\$ -	\$ -	\$ 1,952,178

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation

Depreciation expense was allocated to functions as follows:

General governmental	\$ 184,304
Public protection	431,020
Public ways and facilities	1,204,271
Health and sanitation	43,023
Public assistance	<u>73,236</u>
Subtotal of Governmental funds	1,935,854
Depreciation on capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	<u>284,329</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 2,220,183</u>

Depreciation expense was charged to the business-type functions as follows:

Solid Waste Operating	\$ 47,111
Airport	<u>58,253</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 105,364</u>

NOTE 5: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

Type of Indebtedness	Balance July 1, 2015	Additions	Adjustments/ Retirements	Balance June 30, 2016	Amounts Due Within One Year
Governmental Activities					
Certificates of Participation	\$ 2,455,000	\$ -	\$ (40,000)	\$ 2,415,000	\$ 45,000
Loans	561,631	-	(15,181)	546,450	-
Capital Leases	331,159	575,500	(256,850)	649,809	199,930
Compensated Absences	1,528,169	1,253,894	(1,106,690)	1,675,373	533,456
Net Pension Liability	44,715,708	7,264,173	(3,579,991)	48,399,890	-
Net OPEB Liability	14,180,909	3,429,463	(1,845,737)	15,764,635	-
Total Governmental Activities	<u>\$ 63,772,576</u>	<u>\$ 12,523,030</u>	<u>\$ (6,844,449)</u>	<u>\$ 69,451,157</u>	<u>\$ 778,386</u>
Business-Type Activities					
Loans	\$ 13,710	\$ -	\$ (13,710)	\$ -	\$ -
Capital Leases	305,457	-	(69,854)	235,603	73,764
Compensated Absences	28,982	13,665	(12,314)	30,333	7,583
Closure & Postclosure	12,801,640	-	890,347	13,691,987	-
Net Pension Liability	494,553	18,752	(34,686)	478,619	-
Net OPEB Liability	164,866	30,796	(16,572)	179,090	-
Total Business-Type Activities	<u>\$ 13,809,208</u>	<u>\$ 63,213</u>	<u>\$ 743,211</u>	<u>\$ 14,615,632</u>	<u>\$ 81,347</u>

Internal service funds predominantly 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.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Long-term liabilities for the year ended June 30, 2016, consisted of the following:

Governmental Activities

Certificates of Participation:

2005 Certificates of Participation issued on September 1, 2005, in the amount of \$2,750,000 due in annual installments ranging from \$35,000 to \$135,000 through September 1, 2045, with an interest rate of 4.125%. The certificates were used to finance the construction of the new County Office of Education building in Willows. \$ 2,415,000

Loans:

The California Department of Housing and Community Development issued a loan to the County in May 2012, in the amount of \$546,450. This loan was for the purchase and renovation of a house to be used as a Domestic Violence Shelter (Development). The County signed a Promissory Note secured by a Deed of Trust. The Promissory Note has a maturity date of May 5, 2021. The note specifies a simple interest rate of 3.0% per annum to be applied to advances from this note. Repayment of outstanding principal and accrued interest shall be deferred and forgiven as long as the Development is operated as an emergency shelter or as transition housing through the maturity date of the note. Proceeds from the loan are advanced by the State to the Trustee, Glenn County Title Company. The Trustee then makes payments for the associated costs. As of June 30, 2016, the County had drawn down \$546,450 and became liable for that amount. 546,450

Total Governmental Activities \$ 2,961,450

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

The annual debt service requirements of governmental activities to maturity are presented in the following schedule. The schedule excludes the California Department of Housing and Community Development loan for which payment is deferred and compensated absences that have indefinite maturities.

Governmental Activities

Year Ended June 30	Certificates of Participation		
	Principal	Interest	Total
2017	\$ 45,000	\$ 98,691	\$ 143,691
2018	45,000	96,834	141,834
2019	45,000	94,978	139,978
2020	50,000	93,019	143,019
2021	50,000	90,956	140,956
2022-2026	275,000	422,091	697,091
2027-2031	345,000	358,978	703,978
2032-2036	420,000	279,469	699,469
2037-2041	510,000	184,388	694,388
2042-2046	630,000	67,051	697,051
Total	\$ 2,415,000	\$ 1,786,455	\$ 4,201,455

Capital Leases

The County has entered into certain capital lease agreements under which the related 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, 2016
Governmental activities	1.89%- 4.00%	\$ 649,809
Business-Type activities	5.00%	235,603
Total		\$ 885,412

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases (continued)

Capital assets and related accumulated depreciation under capital leases are as follows:

	Governmental Activities	Business-Type Activities
Land	\$ -	\$ 658,125
Construction in Progress	375,500	-
Buildings and improvements	515,000	-
Equipment	480,609	-
Less: accumulated depreciation	<u>(277,314)</u>	<u>-</u>
 Net Book Value	 <u>\$ 1,093,795</u>	 <u>\$ 658,125</u>

The following schedule is a summary, by year, of the County's future minimum lease payments under capital leases together with the present value of the future minimum lease payments as of June 30, 2016:

<u>Year Ended</u>	Governmental Activities	Business-Type Activities
2017	\$ 252,626	\$ 84,033
2018	212,626	84,033
2019	126,176	84,497
2020	<u>103,184</u>	<u>-</u>
Total requirements	694,612	252,563
Less interest	<u>(44,803)</u>	<u>(16,960)</u>
 Present Value of Remaining Payments	 <u>\$ 649,809</u>	 <u>\$ 235,603</u>

Compensated Absences

Upon termination, compensated absences for vacation are paid out at the employee's current rate of pay. The County does not accrue for compensated absences in its governmental fund statements and recognizes liabilities for compensated absences only if they are due and payable in an event such as termination. However in the statement of activities, the expense is allocated to each function based on usage. The County limits compensated absences for vacation to twice the employee's annual vacation accrual.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Landfill Closure and Postclosure Costs

The County of Glenn has one landfill site. State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. GASB Statement No. 18 requires a portion of those closure and postclosure costs to be reported as an operating expense in each period based on landfill capacity used as of the date of each statement of net position.

The following table illustrates the County's remaining liabilities for closure and postclosure maintenance as of June 30, 2016:

<u>Landfill Liabilities</u>	<u>Total Estimated Closure/ Postclosure Costs</u>	<u>Percentage of Estimated Landfill Capacity Used</u>	<u>Proportionate Share of Liability Recognized</u>	<u>Estimated Remaining Closure/ Postclosure Costs</u>	<u>Cash and Investments Available to Cover Closure/ Postclosure Costs</u>	<u>Landfill Closure/ Postclosure Funding Deficit</u>
Postclosure	\$ 5,065,391		\$ 4,518,329	\$ 547,062		
Closure	10,284,370		9,173,658	1,110,712		
Total	\$ 15,349,761	89.20%	\$ 13,691,987	\$ 1,657,774	\$ 4,607,707	\$ (9,084,280)

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. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. 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 revenues. The County has obtained commercial insurance for the possibility that landfill contaminants could be released into the water supply.

Limitations and Restrictions

There are a number of limitations and restrictions contained in the various debt indentures. The County's management believes that the County is in compliance with all significant limitations and restrictions.

Rebatable Arbitrage Earnings

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the County does not expect to incur a liability.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 6: EMPLOYEES' RETIREMENT PLAN

General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the County's Miscellaneous (all non-safety employees) and the separate Safety (police) Employee Pension Plans. The County has both agent multiple-employer and cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolutions. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, actuarial assumptions and membership information that may be viewed on their website at: <https://www.calpers.ca.gov/>

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 each plan are applied as specified by the Public Employees' Retirement Law.

The contribution requirements of plan members and the County are established, and may be amended, by the Board of Supervisors in accordance with union contracts and plan provisions.

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous Plans (Agent-Multiple Employer Plans)		
	Prior to	On or after	
	January 1, 2013	January 1, 2013	
Hire date			
Benefit formula	2.50% @ 55	2.00% @ 62	
Benefit vesting schedule	5 years service	5 years service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50 - 55	52 - 67	
Monthly benefits, as a % of eligible compensation	2.00% to 2.50%	1.00% to 2.50%	
Required employee contribution rates	8.00%	6.25%	
Required employer contribution rates	18.76%	18.76%	

	Safety Plans (Cost-sharing Plans)		
	Prior to	April 1, 2012 through	On or after
	April 1, 2012	December 31, 2012	January 1, 2013
Hire date			
Benefit formula	3.00% @ 50	3.00% @ 55	2.70% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.40% to 3.00%	2.00% to 2.70%
Required employee contribution rates	9.00%	9.00%	11.50%
Required employer contribution rates	17.56%	15.63%	11.15%

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 6: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Employees Covered

At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	499	50
Inactive employees entitled to but not yet receiving benefits	405	19
Active employees	416	25
Total	<u>1320</u>	<u>94</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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.

Net Pension Liability

The County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability for each of the Plans is measured as of June 30, 2015 using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous and Safety Plans</u>
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.50% (1)
Mortality	Derived using CalPERS' Membership Data Contract COLA up to 2.75% until Purchasing Power applies, 2.75% thereafter
Post Retirement Benefit Increase	

(1) Net of pension plan investment and administrative expenses, including inflation

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 6: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each 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 of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65% 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 from 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 expenses and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected PERF's pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years.

Using historical returns of all the funds' asset classes, expected compound (geometric) 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. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	51.00%	5.25%	5.71%
Global Debt Securities	19.00%	0.99%	2.43%
Inflation Assets	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

¹ An expected inflation of 2.50% used for this period

² An expected inflation of 3.00% used for this period

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 6: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. For the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

The following table shows the changes in net pension liability recognized over the measurement period.

Miscellaneous Plans:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 127,340,518	\$ 90,413,760	\$ 36,926,758
Changes in the year:			
Service Cost	2,467,936	-	2,467,936
Interest on the Total Pension Liability	9,359,668	-	9,359,668
Changes of Assumptions	(2,281,948)	-	(2,281,948)
Differences between Expected and Actual Experience	(691,571)	-	(691,571)
Plan to Plan Resource Movement	-	(564)	564
Contributions from the Employer	-	2,746,803	(2,746,803)
Contributions from the Employees	-	1,332,964	(1,332,964)
Net Investment Income	-	2,024,434	(2,024,434)
Benefit Payments, including Refunds of Employee Contributions	(6,504,699)	(6,504,699)	-
Administrative Expense	-	(101,173)	101,173
Net Changes during 2014-15	\$ 2,349,386	\$ (502,235)	\$ 2,851,621
Balance at June 30, 2015	\$ 129,689,904	\$ 89,911,525	\$ 39,778,379

Safety Cost Sharing Plans:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 27,435,177	\$ 19,151,673	\$ 8,283,504
Net Changes during 2014-15	49,419	(767,207)	816,626
Balance at June 30, 2015	\$ 27,484,596	\$ 18,384,466	\$ 9,100,130

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 6: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

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

The following presents the net pension liability of the Plans as of the measurement date, calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.65%) or 1% higher (8.65%) than the current rate.

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Miscellaneous Plans' Net Pension Liability / (Asset)	\$ 57,035,393	\$ 39,778,379	\$ 25,527,516
Safety Plans' Net Pension Liability / (Asset)	14,590,633	9,100,130	4,598,018
Total	<u>\$ 71,626,026</u>	<u>\$ 48,878,509</u>	<u>\$ 30,125,534</u>

Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the County recognized pension expense of \$2,656,003. The following table presents the deferred outflows and deferred inflows of resources related to pensions as of June 30, 2016:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 3,614,676	\$ -
Difference in actual contributions versus proportionate share of contributions	156,843	-
Changes of Assumptions	-	(1,868,011)
Differences between Expected and Actual Experience	-	(534,184)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(927,160)
Total	<u>\$ 3,771,519</u>	<u>\$ (3,329,355)</u>

\$3,614,676 reported as deferred outflows of resources related to pension contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2016	\$ (1,834,628)
2017	(1,732,092)
2018	(788,046)
2019	1,182,254
2020	-
Thereafter	-

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 7: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The County offers the same cost-sharing multiple-employer 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/she must join a Medicare HMA or a Medicare Supplement plan under Public Employees' Medical and Hospital Care Act (PEMMICAN). The County sets its monthly contribution rates for health insurance on behalf of active employees through negotiations with bargaining units. Non-represented employees currently receive the same County contributions as the other groups. For all employees who retire from service (either regular retirement or disability retirement), the County shall pay a portion of their medical premiums based on their respective Memorandum of Understanding currently in effect.

Funding Policy

As required by GASB 45, an actuary will determine the County's Annual Required Contributions (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes: (1) the Normal Cost of one year, and (2) a component of amortization of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years.

GASB 45 does not require pre-funding of OPEB benefits. Therefore, the County's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The County has elected not to establish an irrevocable trust at this time.

The Board of Supervisors reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the County.

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the County's Annual OPEB Cost for the fiscal year ended June 30, 2016, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation:

Annual Required Contribution	\$ 3,716,045
Interest on Net OPEB Obligation	573,831
Amortization Adjustment to ARC	<u>(829,617)</u>
Annual OPEB Cost	3,460,259
Contributions Made	<u>(1,862,309)</u>
Increase in NET OPEB Obligation	1,597,950
Net OPEB Obligation - Beginning of Year	<u>14,345,775</u>
Net OPEB Obligation - End of Year	<u><u>\$ 15,943,725</u></u>

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 7: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (continued)

The following shows the calculation for the Annual Required Contribution for the year ended June 30, 2016:

Normal Cost at Year End	\$ 1,406,719
Amortization of the Unfunded Actuarial Accrued Liability (UAAL)	<u>2,309,326</u>
Annual Required Contribution (ARC)	<u><u>\$ 3,716,045</u></u>

The County's annual OPEB cost, the actual employer contribution, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30, 2014, 2015 and 2016 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 3,626,153	\$ 1,466,011	40.43%	\$ 12,533,492
June 30, 2015	\$ 3,492,572	\$ 1,680,290	48.11%	\$ 14,345,775
June 30, 2016	\$ 3,460,259	\$ 1,862,309	53.82%	\$ 15,943,725

The quantifications of costs set forth above should not be interpreted in any way as vesting such benefits; rather the disclosures are made solely to comply with the County's reporting obligations under GASB 45, as the County understands these obligations.

Schedule of Funding Progress

The funded status of the plan as of the most recent three actuarial valuations was as follows:

Actuarial Valuation Date	Actuarial Value of Plan Assets	Projected Unit Credit Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2010	\$ -	\$ 29,825,990	\$ 29,825,990	0.00%	\$ 23,288,859	128.07%
July 1, 2012	-	39,152,496	39,152,496	0.00%	20,555,593	190.47%
July 1, 2014	-	39,932,938	39,932,938	0.00%	14,255,068	280.13%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the County are subject to continual revision as actual results are compared with past expectations, and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 7: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation and historical pattern of sharing of benefits costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's most recent actuarial valuation was performed as of July 1, 2014. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and an annual healthcare cost trend 8% initially, reduced by decrements to an ultimate rate of 5% after 3 years. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The County's plan is considered a single-employer plan under GASB 45.

NOTE 8: FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. The fund balances for all major and non-major governmental funds as of June 30, 2016, were distributed as follows:

	<u>General Fund</u>	<u>Community Action Agency</u>	<u>Road</u>	<u>Mental Health Services Act</u>	<u>County Local Revenue 2011</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:							
Prepaid expense	\$ 94,689	\$ 6,964	\$ 1,856	\$ -	\$ 102	\$ 890	\$ 104,501
Inventory	-	32,947	99,736	-	-	10,316	142,999
Advances to other funds	281,800	-	-	-	-	-	281,800
Total Nonspendable	<u>376,489</u>	<u>39,911</u>	<u>101,592</u>	<u>-</u>	<u>102</u>	<u>11,206</u>	<u>529,300</u>
Restricted:							
General government	264,089	-	-	-	-	336,415	600,504
Public protection	1,562,548	-	-	-	1,858,156	2,408,854	5,829,558
Public ways and facilities	-	-	2,275,009	-	-	39,415	2,314,424
Health and sanitation	168,984	-	-	88,509	319,711	1,574,079	2,151,283
Public assistance	432,181	2,995,318	-	-	1,802,570	700,764	5,930,833
Education	-	-	-	-	-	591,001	591,001
Capital Projects	-	-	-	-	-	603,482	603,482
Debt service	-	-	-	-	-	59,970	59,970
Total Restricted	<u>2,427,802</u>	<u>2,995,318</u>	<u>2,275,009</u>	<u>88,509</u>	<u>3,980,437</u>	<u>6,313,980</u>	<u>18,081,055</u>
Committed:							
General government	235,952	-	-	-	-	-	235,952
Assigned:							
Public protection	15,247	-	-	-	-	-	15,247
Unassigned							
	685,403	-	-	-	-	-	685,403
Total Fund Balances	<u>\$ 3,740,893</u>	<u>\$ 3,035,229</u>	<u>\$ 2,376,601</u>	<u>\$ 88,509</u>	<u>\$ 3,980,539</u>	<u>\$ 6,325,186</u>	<u>\$ 19,546,957</u>

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

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 9: 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; and natural disasters for which the County has entered into a Joint Powers Authority (JPA). The County and the County's special districts formed the Golden State Risk Management Authority (Authority) for the purpose of creating a common pool of funds to be used to meet obligations of the parties to provide coverage for worker's compensation and general liability exposures and to pay for the administration of the program. The Joint Powers Agreement established for its members the Golden State Risk Management Authority Liability and Worker's Compensation Plans.

As defined by GASB Statement No. 10, the Authority is a "risk-sharing pool". The Authority manages one pool for all members. The arrangement allows its members to transfer or pool risks and share in the cost of losses. The County currently reports all of its risk management activities in its General Fund. Premiums due to the Plans are reported when incurred. Each member of the Plan pays an annual premium to the Authority which is evaluated each year.

The agreement for the formation of the Authority provides that the Authority will be self-sustaining through member premiums and will reinsure through a commercial company for claims in excess of self-insured retention amounts. Settled claims have not exceeded commercial insurance coverage in any of the past 3 fiscal years and there have been no reductions in insurance coverage from the prior year.

NOTE 10: CONTINGENCIES

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.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 11: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Restatement of Fund Balance/Net Position

Adjustments resulting from errors or a change to comply with provisions of current accounting standards and financial reporting practices are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning fund balance or net position.

During the current year, adjustments to fund balance or net position were as follows:

Government-wide Financial Statements	<u>Governmental Activities</u>				
Beginning balance, July 1, 2015	\$	(4,500,412)			
Adjustment for change in accounting presentation		(70,301)			
Adjustments for other		<u>21,277</u>			
Beginning balance, July 1, 2015 as restated	\$	<u>(4,549,436)</u>			
 Governmental Funds			Community Action Agency Fund	County Local Revenue Fund 2011 Fund	Non-Major Governmental Funds
	General Fund				Total
Beginning balance, July 1, 2015	\$ 5,784,631	\$ 3,093,546	\$ -	\$ 6,803,362	\$ 15,681,539
Adjustment for change in accounting presentation	(1,892,318)	13,425	3,419,005	(1,009,408)	530,704
Beginning balance, July 1, 2015 as restated	\$ 3,892,313	\$ 3,106,971	\$ 3,419,005	\$ 5,793,954	\$ 16,212,243
 Internal Service Funds		Fleet & Service Center	County Facilities	County Services	Total
Beginning balance, July 1, 2015	\$ 1,798,336	\$ -	\$ (546,737)	\$ 1,251,599	
Adjustment for change in accounting presentation	692,525	260,972	735,522	1,689,019	
Beginning balance, July 1, 2015 as restated	\$ 2,490,861	\$ 260,972	\$ 188,785	\$ 2,940,618	
 Fiduciary Funds		<u>Investment Trust</u>			
Beginning balance, July 1, 2015	\$	34,481,556			
Reclassification of funds to agency funds		(161,848)			
Adjustment for change in accounting presentation		<u>(174,345)</u>			
Beginning balance, July 1, 2015 as restated	\$	<u>34,145,363</u>			

Fund Net Deficit

The Solid Waste Closure fund had a net deficit at June 30, 2016 of \$(8,705,087). This net deficit is expected to be eliminated through future additional funding for the closure/post-closure liability.



REQUIRED SUPPLEMENTARY INFORMATION



COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2016

1. SOURCES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Miscellaneous Plans:

The Schedule of Changes in the Net Pension Liability and Related Ratios presents a detailed look at the County's total pension liability, total plan fiduciary net position, and various informative ratios. Of particular interest to most is the Plan fiduciary net position as a percentage of total pension liability. The closer the plan is to a 100 percent funded status, the better position it will be in to meet all of its future liabilities.

Schedule of Changes in the Net Pension Liability and Related Ratios – Miscellaneous Plans

Last 10 Years*

	2014	2015
Total Pension Liability		
Service cost	\$ 2,700,013	\$ 2,467,936
Interest on total pension liability	8,997,458	9,359,668
Changes of assumptions	-	(2,281,948)
Difference between expected and actual experience	-	(691,571)
Benefit payments, including refunds of employee contributions	<u>(5,946,120)</u>	<u>(6,504,699)</u>
Net change in total pension liability	5,751,351	2,349,386
Total Pension Liability - Beginning	<u>121,589,167</u>	<u>127,340,518</u>
Total Pension Liability - Ending	<u><u>\$ 127,340,518</u></u>	<u><u>\$ 129,689,904</u></u>
 Plan Fiduciary Net Position		
Contributions - employer	\$ 2,639,570	\$ 2,746,803
Contributions - employee	1,286,424	1,332,964
Net investment income	13,571,107	2,024,434
Benefit payments, including refunds of employee contributions	(5,946,120)	(6,504,699)
Plan to plan resource movement	-	(564)
Administrative expense	-	(101,173)
Net change in plan fiduciary net position	<u>11,550,981</u>	<u>(502,235)</u>
Total Fiduciary Net Position - Beginning	<u>78,862,779</u>	<u>90,413,760</u>
Total Fiduciary Net Position - Ending	<u>90,413,760</u>	<u>89,911,525</u>
Net Pension Liability - Ending	<u><u>\$ 36,926,758</u></u>	<u><u>\$ 39,778,379</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	71.00%	69.33%
 Covered employee payroll	\$ 17,081,126	\$ 16,434,280
 Net pension liability as a percentage of covered employee payroll	216.18%	242.05%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.50% (net of administrative expense) to 7.65%.

*Fiscal year 2014-15, with a valuation date of June 30, 2014, was the first year of implementation, therefore fiscal years 2014-15 and after will be presented.

COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2016

1. SOURCES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)

The Schedule of Plan Contributions presents the actuarially-determined contribution required by CalPERS from the County to fund the current costs related to pension payments to former employees and other related costs. The County fully funded the actuarially-determined contribution.

Schedule of Plan Contributions – Miscellaneous Plans

Last 10 Years*

	2014	2015
Actuarially-determined contribution	\$ 2,639,570	\$ 2,746,803
Contributions in relation to the actuarially-determined contribution	(2,639,570)	(2,746,803)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 17,081,126	\$ 16,434,280
Contributions as a percentage of covered employee payroll	15.45%	16.71%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially-determined contribution for fiscal year 2014-15 were from the June 30, 2012 public agency valuation.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see June 30, 2012 Funding Valuation Report.
Asset Valuation Method:	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation factor:	2.75%
Salary Increases:	Varies by Entry Age and Service
Payroll Growth factor:	3.00%
Investment Rate of Return:	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation.
Retirement Age:	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality:	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

*Fiscal year 2014-15, with a valuation date of June 30, 2014, was the first year of implementation, therefore fiscal years 2014-15 and after will be presented.

COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2016

1. SOURCES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)

Safety Cost Sharing Plans:

The Schedule of Changes in the Net Pension Liability and Related Ratios presents a detailed look at the County's total pension liability, total plan fiduciary net position, and various informative ratios. Of particular interest to most is the Plan fiduciary net position as a percentage of total pension liability. The closer the plan is to a 100 percent funded status, the better position it will be in to meet all of its future liabilities.

1. SOURCES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)

Schedule of Changes in the Net Pension Liability and Related Ratios – Safety Cost Sharing Plans

Last 10 Years*

	<u>2014</u>	<u>2015</u>
Portion of the net pension liability	0.13312%	0.15158%
Proportionate share of the net pension liability	\$ 8,283,504	\$ 9,100,130
Covered employee payroll	\$ 1,968,330	\$ 1,836,646
Proportionate share of the net pension liability as a percentage of covered employee payroll	420.84%	495.48%
Proportionate share of the fiduciary net position	\$ 5,782,452	\$ 6,087,084
Plan fiduciary net position as a percentage of the total pension liability	69.81%	66.89%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.50% (net of administrative expense) to 7.65% to correct for an adjustment to exclude administrative expense.

*Fiscal year 2014-15, with a valuation date of June 30, 2014, was the first year of implementation, therefore fiscal years 2014-15 and after will be presented.

COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2016

1. SOURCES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)

Schedule of Plan Contributions – Safety Cost Sharing Plans

Last 10 Years*

	2014	2015
Actuarially-determined contribution	\$ 625,871	\$ 838,331
Contributions in relation to the actuarially-determined contribution	<u>(625,871)</u>	<u>(838,331)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,968,330	\$ 1,836,646
Contributions as a percentage of covered employee payroll	31.80%	45.64%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially-determined contribution for fiscal year 2014-15 were from the June 30, 2012 public agency valuation.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see June 30, 2012 Funding Valuation Report.
Asset Valuation Method:	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation Factor:	2.75%
Salary Increases:	Varies by Entry Age and Service
Payroll Growth Factor:	3.00%
Investment Rate of Return:	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation.
Retirement Age:	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality:	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

*Fiscal year 2014-15, with a valuation date of June 30, 2014, was the first year of implementation, therefore fiscal years 2014-15 and after will be presented.

COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2016

2. Schedule of Funding Progress – Other Postemployment Benefits (OPEB)

The Schedule of Funding Progress – Other Postemployment Benefits provides a consolidated snapshot of the County’s ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded ratio. This ratio compares the plan’s assets to its liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded ratio, the better position it will be in to meet all of its future liabilities.

The table below shows a 3 year analysis of the market value of assets as a percentage of the unfunded actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll for the County Other Postemployment Benefit Plan.

Actuarial Valuation Date	Actuarial Value of Plan Assets	Projected Unit Credit Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2010	\$ -	\$ 29,825,990	\$ 29,825,990	0.00%	\$ 23,288,859	128.07%
July 1, 2012	-	39,152,496	\$ 39,152,496	0.00%	20,555,593	190.47%
July 1, 2014	-	39,932,938	\$ 39,932,938	0.00%	14,255,068	280.13%

3. Budget to Actual Comparison Schedules

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 governmental funds.

In accordance with the provisions of §29000 and §29143, inclusive of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before June 30th and October 2nd. Budgeted expenditures are enacted into law through the passage of an appropriation ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year.

The legal level of budgetary control is established at the object (category) level within each budget unit (department). All amendments or transfers of appropriations between objects within the same budget unit of less than \$10,000 require Department of Finance approval; greater than \$10,000 requires Board approval. Transfers of appropriations between budget units, appropriation of unanticipated revenue or use of contingency require Board approval. During the year ended June 30, 2016, there was no excess of expenditures over appropriations.

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 as committed 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.

COUNTY OF GLENN

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,211,196	\$ 6,211,196	\$ 6,369,409	\$ 158,213
Licenses, permits, and franchises	1,041,916	1,124,508	1,204,732	80,224
Fines, forfeitures and penalties	1,396,814	1,397,687	1,504,346	106,659
Revenues from uses of money and property	25,134	40,303	118,900	78,597
Aid from other governments	31,885,865	32,782,079	30,224,516	(2,557,563)
Charges for services	6,525,465	6,565,899	6,078,555	(487,344)
Other	779,035	876,804	837,117	(39,687)
Total Revenues	47,865,425	48,998,476	46,337,575	(2,660,901)
EXPENDITURES				
Current:				
General government	5,735,262	5,631,529	4,981,294	650,235
Public protection	18,017,829	18,448,148	17,817,440	630,708
Health and sanitation	14,455,356	14,750,178	13,208,310	1,541,868
Public assistance	16,762,011	17,766,736	16,982,762	783,974
Education	401,513	403,113	375,375	27,738
Capital Outlay	304,072	459,971	759,453	(299,482)
Debt Service:				
Principal	90,000	90,000	80,000	10,000
Interest and other charges	16,000	9,218	6,149	3,069
Total Expenditures	55,782,043	57,558,893	54,210,783	3,348,110
Deficiency of Revenues Over Expenditures	(7,916,618)	(8,560,417)	(7,873,208)	687,209
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases	-	-	575,500	575,500
Sale of capital assets	-	-	265	265
Transfers in	21,754,758	22,459,520	8,161,039	(14,298,481)
Transfers out	(14,370,546)	(14,448,724)	(1,015,016)	13,433,708
Total Other Financing Sources	7,384,212	8,010,796	7,721,788	(289,008)
Net Change in Fund Balances	(532,406)	(549,621)	(151,420)	398,201
Fund Balances - Beginning	5,784,631	5,784,631	5,784,631	-
Prior period adjustment	-	-	(1,892,318)	(1,892,318)
Fund Balances - Beginning, Restated	5,784,631	5,784,631	3,892,313	(1,892,318)
Fund Balances - Ending	\$ 5,252,225	\$ 5,235,010	\$ 3,740,893	\$ (1,494,117)

COUNTY OF GLENN

Required Supplementary Information
 Budgetary Comparison Schedule
 Community Action Agency Fund
 For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Revenues from uses of money and property	\$ 22,620	\$ 16,277	\$ 12,166	(4,111)
Aid from other governments	2,408,733	2,498,733	1,631,470	(867,263)
Charges for services	17,791	17,791	9,467	(8,324)
Other	18	18	5,484	5,466
Total Revenues	2,449,162	2,532,819	1,658,587	(874,232)
EXPENDITURES				
Current:				
Public assistance	2,597,803	2,701,556	2,072,646	628,910
Deficiency of Revenues Over Expenditures	(148,641)	(168,737)	(414,059)	(245,322)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,560,242	2,595,014	614,077	(1,980,937)
Transfers out	(2,411,581)	(2,432,599)	(271,760)	2,160,839
Total Other Financing Sources	148,661	162,415	342,317	179,902
Net Change in Fund Balances	20	(6,322)	(71,742)	(65,420)
Fund Balances - Beginning	3,093,546	3,093,546	3,093,546	-
Prior period adjustment	-	-	13,425	13,425
Fund Balances - Beginning, Restated	3,093,546	3,093,546	3,106,971	13,425
Fund Balances - Ending	\$ 3,093,566	\$ 3,087,224	\$ 3,035,229	\$ (51,995)

COUNTY OF GLENN

Required Supplementary Information
 Budgetary Comparison Schedule
 Road Fund
 For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses, permits, and franchises	\$ 24,550	\$ 24,550	\$ 13,936	\$ (10,614)
Revenues from uses of money and property	5,000	5,682	8,416	2,734
Aid from other governments	9,959,281	9,959,281	3,597,005	(6,362,276)
Charges for services	435,000	435,000	451,043	16,043
Other	69,389	69,389	33,662	(35,727)
Total Revenues	10,493,220	10,493,902	4,104,062	(6,389,840)
EXPENDITURES				
Current:				
Public ways and facilities	10,957,141	11,158,201	3,243,362	7,914,839
Capital Outlay	591,500	591,500	2,124,627	(1,533,127)
Total Expenditures	11,548,641	11,749,701	5,367,989	6,381,712
Deficiency of Revenues Over Expenditures	(1,055,421)	(1,255,799)	(1,263,927)	(8,128)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	370	370
Transfers in	1,654,717	1,855,095	208,934	(1,646,161)
Transfers out	(1,223,317)	(1,223,317)	-	1,223,317
Total Other Financing Sources	431,400	631,778	209,304	(422,474)
Net Change in Fund Balances	(624,021)	(624,021)	(1,054,623)	(430,602)
Fund Balances - Beginning	3,431,224	3,431,224	3,431,224	-
Fund Balances - Ending	\$ 2,807,203	\$ 2,807,203	\$ 2,376,601	\$ (430,602)

COUNTY OF GLENN

Required Supplementary Information
 Budgetary Comparison Schedule
 Mental Health Services Act Fund
 For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Revenues from uses of money and property	\$ -	\$ -	\$ 9,671	\$ 9,671
Aid from other governments	2,978,877	2,978,877	2,566,249	(412,628)
Total Revenues	<u>2,978,877</u>	<u>2,978,877</u>	<u>2,575,920</u>	<u>(402,957)</u>
EXPENDITURES				
Current:				
Health and sanitation	7,051	7,051	7,051	-
Excess of Revenues Over Expenditures	<u>2,971,826</u>	<u>2,971,826</u>	<u>2,568,869</u>	<u>(402,957)</u>
OTHER FINANCING USES				
Transfers out	(2,971,826)	(2,971,826)	(2,568,869)	402,957
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	<u>88,509</u>	<u>88,509</u>	<u>88,509</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 88,509</u>	<u>\$ 88,509</u>	<u>\$ 88,509</u>	<u>\$ -</u>

COUNTY OF GLENN

Required Supplementary Information
 Budgetary Comparison Schedule
 County Local Revenue 2011 Fund
 For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Revenues from uses of money and property	\$ -	\$ -	\$ 2,348	\$ 2,348
Aid from other governments	6,284,414	6,784,693	6,817,315	32,622
Total Revenues	6,284,414	6,784,693	6,819,663	34,970
EXPENDITURES				
Current:				
Public protection	1,251,681	1,337,158	1,028,080	309,078
Capital Outlay	-	11,100	11,037	63
Total Expenditures	1,251,681	1,348,258	1,039,117	309,141
Excess of Revenues Over Expenditures	5,032,733	5,436,435	5,780,546	344,111
OTHER FINANCING USES				
Transfers out	(4,811,504)	(5,558,731)	(5,219,012)	339,719
Net Change in Fund Balances	221,229	(122,296)	561,534	683,830
Fund Balances - Beginning	-	-	-	-
Prior period adjustment	-	-	3,419,005	3,419,005
Fund Balances - Beginning, Restated	-	-	3,419,005	3,419,005
Fund Balances - Ending	\$ 221,229	\$ (122,296)	\$ 3,980,539	\$ 4,102,835



SUPPLEMENTARY INFORMATION





**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING FINANCIAL STATEMENTS**



COUNTY OF GLENN

SPECIAL REVENUE FUNDS

Special Revenue funds are established to finance particular governmental activities and are financed by specific taxes or other revenues. The non-major Special Revenue Funds are listed below:

❖ General Governmental Funds

The General Governmental Funds group includes the Cal Boat Launching, Property Admin Grant, Secure Rural Schools/ Community, Per Capita Park Grant 2002, Title III Forest Reserves, and Advertising fund.

❖ Public Protection Funds

The Public Protection Funds group includes the Vital & Health Statistics, Surface/ Ground Water Stewardship, Ground Water Grant, Weed Management Grant, Surface Water Prop 13/419, Prism Grant, Abandoned Vehicle Abatement, BSASRF Fee, CDBG Public Works 9760, and Fish & Game Fund.

❖ Health & Sanitation Funds

The Health & Sanitation Funds group includes the California Waste Management Grant, Substance Abuse Prop 36, Bio Terrorism Grant, WIC Program, Emerging Mosquito West Nile Grant, Mosquito Abatement Assessment Area, Hospital Preparedness Grant, and Health CDC H1N1 influenza.

❖ Public Assistance Funds

The Public Assistance Funds group includes the CalWORKs Incentive Fund, IHSS Public Authority Fund, and the SSD Stuart Foundation Grant.

❖ Education Funds

The Education Funds group includes the Superintendent of Schools and related education funds.

❖ Special Districts Governed by the Board of Supervisors Funds

The Special Districts Governed by the Board of Supervisors Funds group includes Artois Fire District, Hamilton Fire District, Bayliss Fire District, Willows Rural Fire District, Storm Drain Maintenance #1, Storm Drain Maintenance #3, North Willows County Service Area, Air Pollution Control District (including Carl Moyer Program), Air Pollution Vehicle Registration, and the Olive Fruit Fly Pest Management District.

CAPITAL PROJECTS FUNDS

The Capital Projects Fund is used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed by the proprietary fund types.

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt.



COUNTY OF GLENN

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016

	Special Revenue Funds								Totals	
	General Governmental Funds	Public Protection Funds	Public Ways & Facilities Funds	Health & Sanitation Funds	Public Assistance Funds	Education Funds	Special Districts Governed by the Board of Supervisors	Capital Projects Funds		Debt Service Fund
ASSETS										
Cash and investments	\$ 336,643	\$ 620,187	\$ -	\$ 873,460	\$ 926,431	\$ 589,934	\$ 1,827,612	\$ 603,429	\$ 59,970	\$ 5,837,666
Due from other funds	-	13,060	403,032	11,027	20	44	731	-	-	427,914
Accounts receivable	1,105	1,813	-	1,463	2,268	1,023	3,191	53	-	10,916
Due from other governments	-	-	-	181,030	324,137	-	15,686	-	-	520,853
Prepaid items	-	-	742	-	-	-	148	-	-	890
Inventory	-	10,316	-	-	-	-	-	-	-	10,316
Advances to other funds	-	-	-	990,000	65,000	-	-	-	-	1,055,000
Total Assets	\$ 337,748	\$ 645,376	\$ 403,774	\$ 2,056,980	\$ 1,317,856	\$ 591,001	\$ 1,847,368	\$ 603,482	\$ 59,970	\$ 7,863,555
LIABILITIES										
Due to other funds	\$ 1,304	\$ 15,370	\$ 274,226	\$ 135,820	\$ 450,237	\$ -	\$ 5,025.00	\$ -	\$ -	\$ 881,982
Accounts payable	29	15,576	23,260	2,464	26,962	-	12,892	-	-	81,183
Accrued salaries and benefits	-	-	66,131	-	-	-	17,897	-	-	84,028
Deposits payable	-	908	-	-	-	-	-	-	-	908
Unearned revenue	-	-	-	7,019	-	-	-	-	-	7,019
Advances from other funds	-	-	-	240,000	65,000	-	-	-	-	305,000
Total Liabilities	1,333	31,854	363,617	385,303	542,199	-	35,814	-	-	1,360,120
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	-	-	-	97,598	74,893	-	5,758	-	-	178,249
FUND BALANCES										
Nonspendable	-	10,316	742	-	-	-	148	-	-	11,206
Restricted	336,415	603,206	39,415	1,574,079	700,764	591,001	1,805,648	603,482	59,970	6,313,980
Total Fund Balances	336,415	613,522	40,157	1,574,079	700,764	591,001	1,805,796	603,482	59,970	6,325,186
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 337,748	\$ 645,376	\$ 403,774	\$ 2,056,980	\$ 1,317,856	\$ 591,001	\$ 1,847,368	\$ 603,482	\$ 59,970	\$ 7,863,555

COUNTY OF GLENN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Special Revenue Funds								Total	
	General Governmental Funds	Public Protection Funds	Public Ways & Facilities Funds	Health & Sanitation Funds	Public Assistance Funds	Education Funds	Special Districts Governed by the Board of Supervisors	Capital Projects Funds		Debt Service Fund
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,742	\$ 152,074	\$ -	\$ -	\$ 338,816
Licenses, permits, and franchises	21,369	197,810	-	-	-	-	170,209	-	-	389,388
Fines, forfeitures, and penalties	770	6,129	-	-	-	-	5,450	-	-	12,349
Revenues from uses of money and property	820	1,288	(18)	795	2,671	1,466	4,411	81,073	-	92,506
Aid from other governments	24,160	159,985	-	1,447,181	3,883,141	2,382	677,251	-	-	6,194,100
Charges for services	-	417,020	743,969	205,356	7,040	-	552,359	-	-	1,925,744
Other	-	3,460	1,221,790	1,131	-	-	811	-	-	1,227,192
Total Revenues	47,119	785,692	1,965,741	1,654,463	3,892,852	190,590	1,562,565	81,073	-	10,180,095
EXPENDITURES										
Current:										
General government	18,594	-	1,233,195	-	-	-	-	-	-	1,251,789
Public protection	2,356	731,576	-	-	-	-	1,433,199	-	-	2,167,131
Public ways and facilities	-	-	774,650	-	-	-	-	-	-	774,650
Health and sanitation	-	-	-	1,330,838	-	-	-	-	-	1,330,838
Public assistance	-	-	-	-	3,625,468	-	-	-	-	3,625,468
Capital Outlay	-	-	40,862	-	-	-	-	-	-	40,862
Debt Service:										
Principal	-	-	-	-	-	-	59,174	-	172,345	231,519
Interest and other charges	-	-	-	-	-	-	4,279	-	108,681	112,960
Total Expenditures	20,950	731,576	2,048,707	1,330,838	3,625,468	-	1,496,652	-	281,026	9,535,217
Excess (Deficiency) of Revenues Over Expenditures	26,169	54,116	(82,966)	323,625	267,384	190,590	65,913	81,073	(281,026)	644,878
OTHER FINANCING SOURCES (USES)										
Transfers in	8,500	-	-	2,619	-	-	-	-	281,026	292,145
Transfers out	-	(16,000)	-	(240,255)	-	(140,444)	(9,092)	-	-	(405,791)
Total Other Financing Sources (Uses)	8,500	(16,000)	-	(237,636)	-	(140,444)	(9,092)	-	281,026	(113,646)
Net Change in Fund Balances	34,669	38,116	(82,966)	85,989	267,384	50,146	56,821	81,073	-	531,232
Fund Balances - Beginning	301,746	1,768,786	-	232,145	1,628,476	540,855	1,748,975	522,409	59,970	6,803,362
Prior period adjustment	-	(1,193,380)	123,123	1,255,945	(1,195,096)	-	-	-	-	(1,009,408)
Fund Balance - Beginning, Restated	301,746	575,406	123,123	1,488,090	433,380	540,855	1,748,975	522,409	59,970	5,793,954
Fund Balances - Ending	\$ 336,415	\$ 613,522	\$ 40,157	\$ 1,574,079	\$ 700,764	\$ 591,001	\$ 1,805,796	\$ 603,482	\$ 59,970	\$ 6,325,186

COUNTY OF GLENN

Budgetary Comparison Schedule
Special Revenue Funds
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 311,400	\$ 311,400	\$ 338,816	\$ 27,416
Licenses, permits, and franchises	399,240	402,340	389,388	(12,952)
Fines, forfeitures, and penalties	10,340	10,340	12,349	2,009
Revenues from uses of money and property	5,383	5,383	11,433	6,050
Aid from other governments	4,325,963	6,482,317	6,194,100	(288,217)
Charges for services	2,385,337	2,577,888	1,925,744	(652,144)
Other	1,315,805	1,315,805	1,227,192	(88,613)
Total Revenues	8,753,468	11,105,473	10,099,022	(1,006,451)
EXPENDITURES				
Current:				
General government	1,354,174	1,362,545	1,251,789	110,756
Public protection	2,217,108	2,746,604	2,167,131	579,473
Public ways and facilities	1,233,336	1,080,395	774,650	305,745
Health and sanitation	1,330,337	1,369,640	1,330,838	38,802
Public assistance	2,167,144	4,005,261	3,625,468	379,793
Capital Outlay	50,000	50,000	40,862	9,138
Debt Service:				
Principal	61,417	61,417	59,174	2,243
Interest and other charges	5,907	5,907	4,279	1,628
Total Expenditures	8,419,423	10,681,769	9,254,191	1,427,578
Excess of Revenues Over Expenditures	334,045	423,704	844,831	421,127
OTHER FINANCING SOURCES (USES)				
Transfers in	120,464	132,964	11,119	(121,845)
Transfers out	(626,173)	(582,183)	(405,791)	176,392
Total Other Financing Uses	(505,709)	(449,219)	(394,672)	54,547
Net Change in Fund Balances	(171,664)	(25,515)	450,159	475,674
Fund Balances - Beginning	6,220,983	6,220,983	6,220,983	-
Prior period adjustment	-	-	(1,009,408)	(1,009,408)
Fund Balances - Beginning, Restated	6,220,983	6,220,983	5,211,575	(1,009,408)
Fund Balances - Ending	\$ 6,049,319	\$ 6,195,468	\$ 5,661,734	\$ (533,734)

COUNTY OF GLENN

Budgetary Comparison Schedule
 Capital Projects Funds
 For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Revenues from uses of money and property	\$ 43	\$ 43	\$ 81,073	\$ 81,030
OTHER FINANCING USES				
Transfers out	(241,450)	(241,450)	-	241,450
Net Change in Fund Balances	(241,407)	(241,407)	81,073	322,480
Fund Balances - Beginning	522,409	522,409	522,409	-
Fund Balances - Ending	\$ 281,002	\$ 281,002	\$ 603,482	\$ 322,480

COUNTY OF GLENN

Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Debt Service:				
Principal	\$ 189,197	\$ 196,341	\$ 172,345	\$ 23,996
Interest and other charges	121,832	114,688	108,681	6,007
Total Expenditures	<u>311,029</u>	<u>311,029</u>	<u>281,026</u>	<u>30,003</u>
Deficiency of Revenues Over Expenditures	<u>(311,029)</u>	<u>(311,029)</u>	<u>(281,026)</u>	<u>30,003</u>
OTHER FINANCING SOURCES				
Transfers in	<u>311,029</u>	<u>311,029</u>	<u>281,026</u>	<u>(30,003)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	<u>59,970</u>	<u>59,970</u>	<u>59,970</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 59,970</u>	<u>\$ 59,970</u>	<u>\$ 59,970</u>	<u>\$ -</u>



COUNTY OF GLENN

INTERNAL SERVICE FUNDS

Internal Service funds are established to serve other funds or departments within the primary government on a cost-reimbursement basis.

❖ **Fleet & Service Center**

The Fleet & Service Center ISF provides vehicles and vehicle maintenance for the County and other local governments. Costs are recovered based on vehicle miles driven.

❖ **County Facilities**

The County Facilities ISF maintains and manages the County's facilities costs. Costs are distributed by building square footage.

❖ **County Services**

The County Services ISF maintains and manages the phone and data processing costs for the County. Costs are distributed by handsets and terminals.



COUNTY OF GLENN

Combining Statement of Net Position
Internal Service Funds
June 30, 2016

	Fleet & Service Center	County Facilities	County Services	Total
ASSETS				
Current Assets:				
Cash and investments	\$ 1,478,335	\$ 237,627	\$ 6,612	\$ 1,722,574
Due from other funds	1,310	28,305	28,299	57,914
Accounts receivable	42,880	15,907	-	58,787
Prepaid expenses	-	-	11,016	11,016
Inventory	22,222	-	-	22,222
Total Current Assets	1,544,747	281,839	45,927	1,872,513
Noncurrent Assets:				
Capital Assets:				
Depreciable, net	1,040,186	-	147,826	1,188,012
Total Assets	2,584,933	281,839	193,753	3,060,525
LIABILITIES				
Current Liabilities:				
Due to other funds	5,268	33,837	-	39,105
Accounts payable	9,241	13,488	6,309	29,038
Unearned revenue	-	-	11,016	11,016
Advance from other funds	-	-	28,299	28,299
Total Current Liabilities	14,509	47,325	45,624	107,458
NET POSITION				
Net investment in capital assets	1,040,186	-	147,826	1,188,012
Unrestricted	1,530,238	234,514	303	1,765,055
Total Net Position	\$ 2,570,424	\$ 234,514	\$ 148,129	\$ 2,953,067

COUNTY OF GLENN

Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

	Fleet & Service Center	County Facilities	County Services	Total
OPERATING REVENUES				
Charges for services	\$ 778,313	\$ 855,906	\$ 704,299	\$ 2,338,518
Rental income	2,825	-	-	2,825
Other	-	2,896	-	2,896
Total Operating Revenues	781,138	858,802	704,299	2,344,239
OPERATING EXPENSES				
Services and supplies	484,478	1,140,952	707,494	2,332,924
Depreciation	243,886	-	40,407	284,293
Total Operating Expenses	728,364	1,140,952	747,901	2,617,217
Operating Income (Loss)	52,774	(282,150)	(43,602)	(272,978)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	3,686	514	-	4,200
Gain on sale of capital assets	23,113	-	-	23,113
Interest expense	(10)	-	-	(10)
Total Non-Operating Revenue	26,789	514	-	27,303
Income (Loss) Before Transfers	79,563	(281,636)	(43,602)	(245,675)
Transfers in	-	261,653	2,947	264,600
Transfers out	-	(6,476)	-	(6,476)
Change in Net Position	79,563	(26,459)	(40,655)	12,449
Total Net Position (Deficit) - Beginning	1,798,336	-	(546,737)	1,251,599
Prior period adjustment	692,525	260,973	735,521	1,689,019
Total Net Position - Beginning, Restated	2,490,861	260,973	188,784	2,940,618
Total Net Position - Ending	\$ 2,570,424	\$ 234,514	\$ 148,129	\$ 2,953,067

COUNTY OF GLENN

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

	<u>Fleet & Service Center</u>	<u>County Facilities</u>	<u>County Services</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Charges for services	\$ 784,293	\$ 843,206	\$ 715,315	\$ 2,342,814
Payments to suppliers	(480,075)	(1,143,126)	(710,501)	(2,333,702)
Payments to employees	(8,676)	(21,095)	-	(29,771)
Net Cash Provided (Used) by Operating Activities	<u>295,542</u>	<u>(321,015)</u>	<u>4,814</u>	<u>(20,659)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and other receipts	-	27,761	-	27,761
Interfund loan repayments received	6,815	9,000	2,822	18,637
Interfund loans received	5,268	33,837	28,299	67,404
Interfund loans made	(1,310)	(28,305)	(28,299)	(57,914)
Interfund loans repaid	(4,080)	(43,154)	(36,213)	(83,447)
Transfers in	-	261,653	2,947	264,600
Transfers out	-	(6,476)	-	(6,476)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>6,693</u>	<u>254,316</u>	<u>(30,444)</u>	<u>230,565</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(209,847)	-	-	(209,847)
Proceeds from sale of capital assets	23,113	-	-	23,113
Principal paid on capital debt	(512)	-	-	(512)
Interest paid on capital debt	(10)	-	-	(10)
Net Cash Used by Capital and Related Financing Activities	<u>(187,256)</u>	<u>-</u>	<u>-</u>	<u>(187,256)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	3,687	515	-	4,202
Net Increase (Decrease) in Cash and Cash Equivalents	118,666	(66,184)	(25,630)	26,852
Cash and Cash Equivalents - Beginning	1,359,669	303,811	32,242	1,695,722
Cash and Cash Equivalents - Ending	<u>\$ 1,478,335</u>	<u>\$ 237,627</u>	<u>\$ 6,612</u>	<u>\$ 1,722,574</u>

COUNTY OF GLENN

Reconciliation of the Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

	<u>Fleet & Service Center</u>	<u>County Facilities</u>	<u>County Services</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 52,774	\$ (282,150)	\$ (43,602)	\$ (272,978)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	243,886	-	40,407	284,293
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	3,155	(15,596)	-	(12,441)
Prepaid expenses	-	-	(3,978)	(3,978)
Inventory	957	-	-	957
(Increase) decrease in:				
Accounts payable	3,446	(2,174)	971	2,243
Accrued salaries and benefits	(8,676)	(21,095)	-	(29,771)
Unearned revenue	-	-	11,016	11,016
Net Cash Provided (Used) by Operating Activities	<u>\$ 295,542</u>	<u>\$ (321,015)</u>	<u>\$ 4,814</u>	<u>\$ (20,659)</u>



FIDUCIARY FUNDS

Fiduciary Funds account for assets held by the County in a trustee capacity, or as an agent for private organizations, other governmental units, or other funds.

AGENCY FUNDS

❖ Other Agency Funds

The Other Agency Funds account for assets held for other governmental agencies and governmental units by the County in a fiduciary capacity.

❖ Unapportioned Taxes Fund

The Unapportioned Taxes Fund accounts for funds reserved for losses and property tax receipts apportioned to other local governmental agencies participating in the Teeter Plan.



COUNTY OF GLENN

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2016

	<u>Other Agency Funds</u>	<u>Unapportioned Taxes Fund</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 5,598,818	\$ 1,552,274	\$ 7,151,092
Due from other funds	370,886	1,653	372,539
Interest receivable	99,568	12,600	112,168
Property taxes receivable	-	1,933,889	1,933,889
Total Assets	<u>\$ 6,069,272</u>	<u>\$ 3,500,416</u>	<u>\$ 9,569,688</u>
LIABILITIES			
Due to other funds	\$ 690,569	\$ 49,453	\$ 740,022
Advances from other funds	3,501	-	3,501
Agency obligations	5,375,202	3,450,963	8,826,165
Total Liabilities	<u>\$ 6,069,272</u>	<u>\$ 3,500,416</u>	<u>\$ 9,569,688</u>

COUNTY OF GLENN

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2016

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
OTHER AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 5,819,899	\$ -	\$ 221,081	\$ 5,598,818
Due from other funds	105,558	265,328	-	370,886
Interest receivable	90,577	8,991	-	99,568
Total Assets	<u>6,016,034</u>	<u>274,319</u>	<u>221,081</u>	<u>6,069,272</u>
LIABILITIES				
Due to other funds	316,440	374,129	-	690,569
Advances from other funds	3,501	-	-	3,501
Agency obligations	5,696,093	-	320,891	5,375,202
Total Liabilities	<u>6,016,034</u>	<u>374,129</u>	<u>320,891</u>	<u>6,069,272</u>
UNAPPORTIONED TAXES FUND				
ASSETS				
Cash and investments	1,505,984	46,290	-	1,552,274
Due from other funds	-	1,653	-	1,653
Interest receivable	4,681	7,919	-	12,600
Property taxes receivable	1,882,355	51,534	-	1,933,889
Total Assets	<u>3,393,020</u>	<u>107,396</u>	<u>-</u>	<u>3,500,416</u>
LIABILITIES				
Due to other funds	97,697	-	48,244	49,453
Agency obligations	3,295,323	155,640	-	3,450,963
Total Liabilities	<u>3,393,020</u>	<u>155,640</u>	<u>48,244</u>	<u>3,500,416</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 7,325,883	\$ 46,290	\$ 221,081	\$ 7,151,092
Due from other funds	105,558	266,981	-	372,539
Interest receivable	95,258	16,910	-	112,168
Property taxes receivable	1,882,355	51,534	-	1,933,889
Total Assets	<u>\$ 9,409,054</u>	<u>\$ 381,715</u>	<u>\$ 221,081</u>	<u>\$ 9,569,688</u>
LIABILITIES				
Due to other funds	\$ 414,137	\$ 374,129	\$ 48,244	\$ 740,022
Advances from other funds	3,501	-	-	3,501
Agency obligations	8,991,416	155,640	320,891	8,826,165
Total Liabilities	<u>\$ 9,409,054</u>	<u>\$ 529,769</u>	<u>\$ 369,135</u>	<u>\$ 9,569,688</u>





STATISTICAL SECTION



COUNTY OF GLENN
Statistical Section
June 30, 2016

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the reader of the Comprehensive Annual Financial Report. The objectives of the statistical section information is to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

Contents

Financial Trends

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

Revenue Capacity

These schedules contain trend information to help the reader assess the County's most significant local revenue source, which is property tax.

Debt Capacity

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

Demographic and Economic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.

Sources: Unless otherwise noted, the information presented in the following schedules are derived from the Comprehensive Annual Financial Reports/ Basic Financial Statements from the relevant year.



COUNTY OF GLENN

**Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 33,872,766	\$ 34,190,619	\$ 33,145,903	\$ 32,134,715	\$ 33,082,456	\$ 34,784,007	\$ 34,641,669	\$ 35,534,157	\$ 36,052,069	\$ 36,714,279
Restricted	4,960,569	5,072,172	5,000,252	6,809,720	-	11,901,193	13,909,650	16,373,832	15,587,546	21,282,910
Unrestricted	6,828,701	6,995,788	4,932,102	1,972,809	3,952,689	(5,252,331)	(6,689,821)	(8,332,018)	(56,140,027)	(61,831,841)
Total governmental net position	45,662,036	46,258,579	43,078,257	40,917,244	37,035,145	41,432,869	41,861,498	43,575,971	(4,500,412)	(3,834,652)
Business-type activities										
Net investment in capital assets	1,395,991	1,726,975	909,788	1,382,515	1,377,100	1,275,944	1,488,042	2,082,696	1,655,595	1,716,576
Unrestricted	65,735	(1,975,301)	(2,945,284)	(5,183,923)	(4,660,841)	(6,813,976)	(6,489,237)	(7,923,099)	(5,925,295)	(5,774,739)
Total business net position	1,461,726	(248,326)	(2,035,496)	(3,801,408)	(3,283,741)	(5,538,032)	(5,001,195)	(5,840,403)	(4,269,700)	(4,058,163)
Primary government										
Net investment in capital assets	35,268,757	35,917,594	34,055,691	33,517,230	34,459,556	36,059,951	36,129,711	37,616,853	37,707,664	38,430,855
Restricted	4,960,569	5,072,172	5,000,252	6,809,720	-	11,901,193	13,909,650	16,373,832	15,587,546	21,282,910
Unrestricted	6,894,436	5,020,487	1,986,818	(3,211,114)	(708,152)	(12,066,307)	(13,179,058)	(16,255,117)	(62,065,322)	(67,606,580)
Total primary government net position	\$ 47,123,762	\$ 46,010,253	\$ 41,042,761	\$ 37,115,836	\$ 33,751,404	\$ 35,894,837	\$ 36,860,303	\$ 37,735,568	\$ (8,770,112)	\$ (7,892,815)

Notes:

- 1 – Capital assets include land, construction in progress, infrastructure, buildings and improvements, equipment and vehicles.
- 2 – Accounting standards require that net position be reported in three components in the financial statements: investment in capital assets, net of related debt; restricted; and unrestricted. Net position is considered restricted only when an external party, such as the state or federal government, places a restriction on how resources may be used or through enabling legislation by the County.
- 3 – In 2007 the County added Infrastructure to assets reported in the CAFR
- 4 – In 2015 the County implemented GASB 68, recognizing pension liability by adjusting unrestricted net position.

Source: County of Glenn Department of Finance

COUNTY OF GLENN

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	\$ 202,521	\$ 366,166	\$ 1,284,922	\$ 999,953	\$ 439,127	\$ 1,563,917	\$ 1,352,088	\$ 1,361,476	\$ 1,715,408	\$ 376,489
Restricted	3,489,905	2,789,441	2,028,065	1,339,815	-	1,672,384	2,179,436	3,299,461	1,668,535	2,427,802
Committed	144,067	91,971	86,069	44,796	-	-	-	-	163,447	235,952
Assigned	-	-	-	-	176,271	-	-	-	15,247	15,247
Unassigned	3,438,874	2,104,653	1,363,945	148,932	1,974,123	201,991	1,753,708	2,014,119	2,221,994	685,403
Total general fund	<u>7,275,367</u>	<u>5,352,231</u>	<u>4,763,001</u>	<u>2,533,496</u>	<u>2,589,521</u>	<u>3,438,292</u>	<u>5,285,232</u>	<u>6,675,056</u>	<u>5,784,631</u>	<u>3,740,893</u>
Other Governmental Funds										
Nonspendable	2,025,728	2,202,082	2,240,266	2,246,685	511,634	467,510	225,192	354,582	89,448	152,811
Restricted	3,018,109	4,769,842	5,710,776	6,776,788	6,878,767	8,661,852	10,459,011	12,010,134	13,327,192	15,653,253
Committed	-	217,114	130,892	-	-	-	-	-	-	-
Assigned	-	-	-	-	175,158	67,828	20,750	21,943	-	-
Unassigned	-	-	-	-	397,713	(77,631)	(4,733)	(22,263)	-	-
Total other governmental funds	<u>5,043,837</u>	<u>7,189,038</u>	<u>8,081,934</u>	<u>9,023,473</u>	<u>7,963,272</u>	<u>9,119,559</u>	<u>10,700,220</u>	<u>12,364,396</u>	<u>13,416,640</u>	<u>15,806,064</u>
Total Governmental Funds										
Nonspendable	2,228,249	2,568,248	3,525,188	3,246,638	950,761	2,031,427	1,577,280	1,716,058	1,804,856	529,300
Restricted	6,508,014	7,559,283	7,738,841	8,116,603	6,878,767	10,334,236	12,638,447	15,309,595	14,995,727	18,081,055
Committed	144,067	309,085	216,961	44,796	-	-	-	-	163,447	235,952
Assigned	-	-	-	-	351,429	67,828	20,750	21,943	15,247	15,247
Unassigned	3,438,874	2,104,653	1,363,945	148,932	2,371,836	124,360	1,748,975	1,991,856	2,221,994	685,403
Total governmental funds	<u>\$ 12,319,204</u>	<u>\$ 12,541,269</u>	<u>\$ 12,844,935</u>	<u>\$ 11,556,969</u>	<u>\$ 10,552,793</u>	<u>\$ 12,557,851</u>	<u>\$ 15,985,452</u>	<u>\$ 19,039,452</u>	<u>\$ 19,201,271</u>	<u>\$ 19,546,957</u>

Notes: Other governmental funds include, special revenue funds, debt service funds, and capital project funds.

Source: Glenn County Department of Finance

COUNTY OF GLENN

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

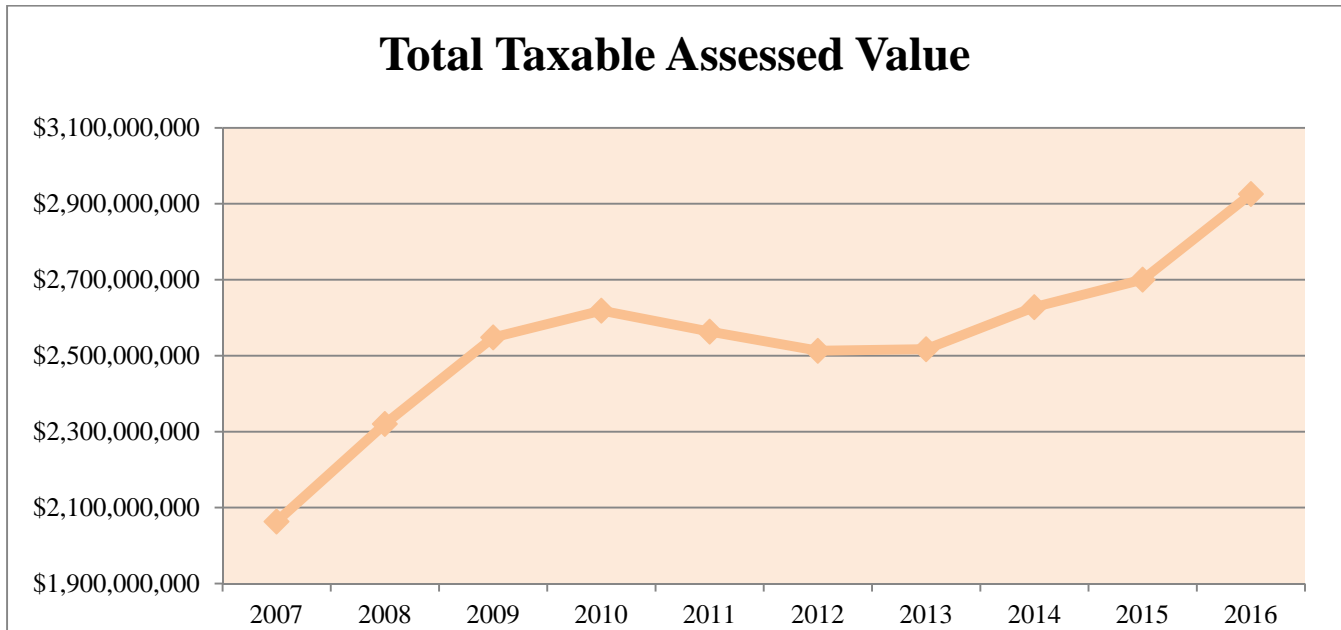
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 5,249,001	\$ 5,724,336	\$ 5,816,259	\$ 5,739,790	\$ 6,585,637	\$ 5,926,615	\$ 5,838,509	\$ 6,143,635	\$ 6,223,755	\$ 6,708,225
Licenses, permits, and franchises	1,256,335	1,298,983	1,284,799	1,276,883	1,220,836	1,193,307	1,146,542	1,230,934	1,360,277	1,608,056
Fines and forfeitures	1,542,526	1,702,254	1,794,010	1,550,877	1,544,870	1,564,852	1,508,416	1,863,440	1,611,882	1,516,695
Use of money and property	863,095	766,263	408,069	156,014	172,813	(2,282)	77,073	93,713	50,928	244,007
Aid from other governments	47,781,427	50,805,391	52,129,959	49,209,896	50,587,324	53,426,775	51,076,330	52,760,407	48,627,358	51,030,655
Charges for services	3,991,797	5,398,369	4,745,214	6,453,256	13,149,090	12,417,754	9,068,154	10,798,436	5,377,958	8,464,809
Other revenues	1,537,576	2,102,917	1,691,354	827,756	1,798,769	2,753,230	3,137,680	1,612,067	1,049,119	2,103,455
Total revenues	62,221,757	67,798,513	67,869,664	65,214,472	75,059,339	77,280,251	71,852,704	74,502,632	64,301,277	71,675,902
Expenditures										
General government	4,811,397	4,926,084	4,394,073	4,549,636	6,239,118	5,659,607	2,776,257	5,391,545	4,764,571	6,233,083
Public protection	18,933,986	20,810,202	20,622,676	19,605,694	20,367,542	20,420,422	21,419,309	21,452,400	21,379,307	21,012,651
Public ways and facilities	4,740,647	3,580,399	4,025,327	3,997,854	3,893,731	4,588,906	3,762,081	2,894,349	3,226,573	4,018,012
Health and sanitation	12,107,165	13,711,761	13,462,731	12,950,873	14,209,733	13,579,145	13,510,803	12,833,742	10,163,013	14,546,199
Public assistance	20,679,837	21,934,963	24,724,486	22,317,310	30,415,458	26,115,892	25,543,645	25,658,185	20,121,599	22,680,876
Education	363,369	407,464	409,447	386,402	384,613	386,511	379,516	377,951	391,797	375,375
Debt Service:										
Principal	287,768	366,945	389,796	183,325	189,077	189,450	212,195	108,856	161,437	311,519
Interest and other charges	383,315	391,281	274,059	247,607	273,185	128,179	482,962	172,568	86,987	119,109
Capital Outlay	956,943	2,025,860	956,494	1,037,858	1,443,085	4,237,504	1,404,021	2,601,373	3,461,163	2,935,979
Total expenditures	63,264,427	68,154,959	69,259,089	65,276,559	77,415,542	75,305,616	69,490,789	71,490,969	63,756,447	72,232,803
Excess (deficiency) of revenues over expenditures	(1,042,670)	(356,446)	(1,389,425)	(62,087)	(2,356,203)	1,974,635	2,361,915	3,011,663	544,830	(556,901)
Other financing sources (uses)										
Proceeds from debt	-	-	-	-	395,900	224,183	27,881	42,337	-	575,500
Sale of capital assets	-	-	-	-	-	-	337,126	-	44,020	635
Other sources (uses)	-	-	608,187	-	-	-	-	-	-	-
Transfers in	704,487	1,501,002	1,694,061	2,834,886	2,365,331	13,313,470	17,222,156	15,937,367	7,030,261	9,276,195
Transfers out	(704,487)	(1,501,002)	(1,694,061)	(2,834,886)	(2,365,331)	(13,313,470)	(17,251,953)	(15,937,367)	(7,309,498)	(9,480,448)
Total other financing sources (uses)	-	-	608,187	-	395,900	224,183	335,210	42,337	(235,217)	371,882
Net change in fund balance	\$ (1,042,670)	\$ (356,446)	\$ (781,238)	\$ (62,087)	\$ (1,960,303)	\$ 2,198,818	\$ 2,697,125	\$ 3,054,000	\$ 309,613	\$ (185,019)
Debt services as a percentage of non-capital expenditures	1.08%	1.15%	0.97%	0.67%	0.61%	0.45%	1.02%	0.41%	0.41%	0.62%

Source: County of Glenn Department of Finance

COUNTY OF GLENN

Property Tax Rates – Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property	Personal Property	Total Secured	Total Unsecured	Less: Tax Exempt Property	Total Taxable Assessed Property	Total Direct Tax Rate
2007	1,907,913,649	136,557,480	2,044,471,129	84,847,842	65,914,256	2,063,404,715	1.00%
2008	2,157,081,752	140,148,546	2,297,230,298	93,191,770	70,225,190	2,320,196,878	1.00%
2009	2,370,480,259	142,944,841	2,513,425,100	107,019,954	72,405,420	2,548,039,634	1.00%
2010	2,442,096,508	142,944,841	2,585,041,349	105,943,126	72,405,420	2,618,579,055	1.00%
2011	2,392,593,009	141,247,166	2,533,840,175	104,357,949	74,793,805	2,563,404,319	1.00%
2012	2,350,932,784	132,397,040	2,483,329,824	108,297,897	78,745,702	2,512,882,019	1.00%
2013	2,344,152,537	139,349,503	2,483,502,040	120,006,813	86,352,981	2,517,155,872	1.00%
2014	2,417,841,696	171,226,974	2,589,068,670	127,888,473	89,047,944	2,627,909,199	1.00%
2015	2,475,019,895	176,899,227	2,651,919,122	138,438,783	89,947,937	2,700,409,968	1.00%
2016	2,517,736,225	344,179,305	2,861,915,530	154,372,894	90,820,217	2,925,468,207	1.00%



Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value as appeared on the Assessor’s 1975-76 assessment roll.

Thereafter, full cash value can be increased to reflect:

- a) Annual inflation up to 2%; or
- b) Current market value at time of ownership change; or
- c) Market value for new construction

Note: Estimated actual value of taxable property cannot be easily determined as the property in the County is not reassessed annually. Reassessment normally occurs when ownership changes.

Source: Glenn County Department of Finance

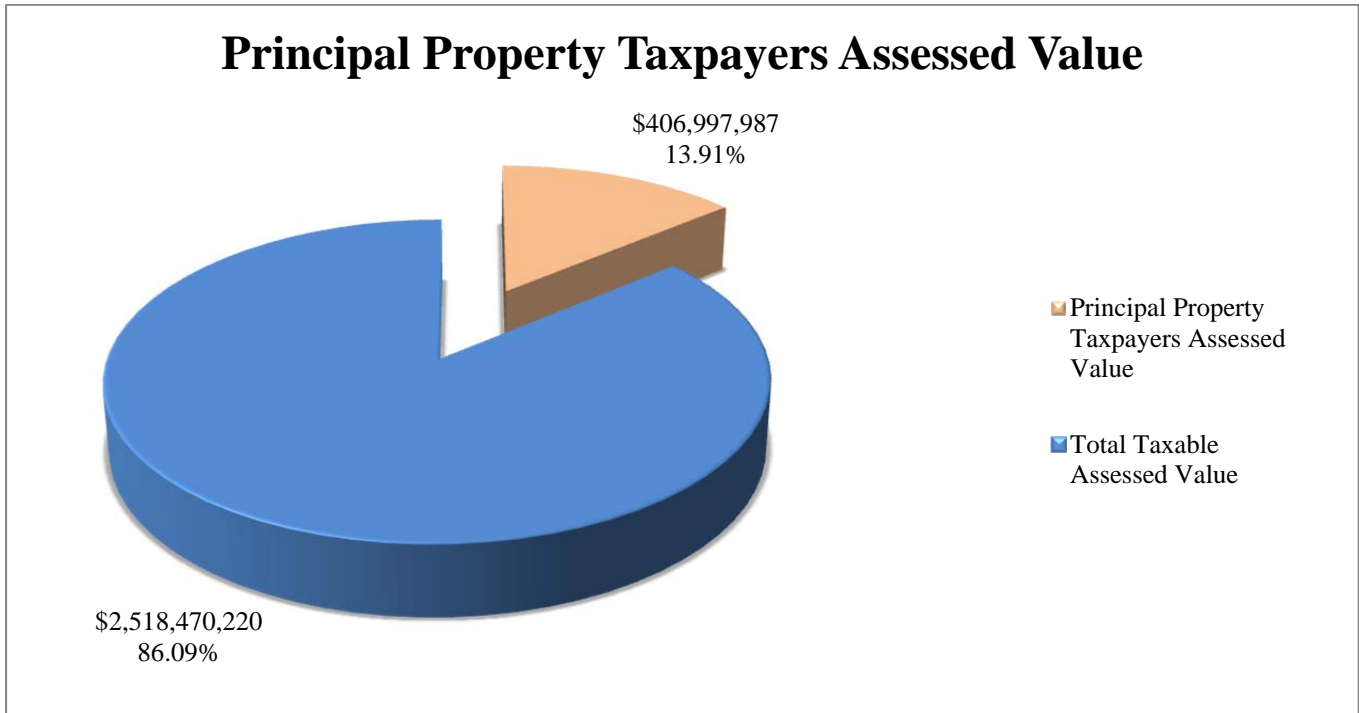
COUNTY OF GLENN

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Fiscal Year Ended June 30, 2016			Fiscal year Ended June 30, 2007		
	Assessed Value	Rank	Percentage of Taxable Assessed Value	Assessed Value	Rank	Percentage of Taxable Assessed Value
Pacific Gas & Electric Co.	\$ 111,751,798	1	3.82%	\$ 72,342,860	2	3.51%
Johns Manville Intl. Inc.	70,884,586	2	2.42%	78,334,626	1	3.80%
Violich Farms Inc.	45,281,972	3	1.55%	16,346,734	5	0.79%
Big W. Ranch Corp.	40,812,032	4	1.40%	16,385,652	4	0.79%
JJB Farms LP	33,992,564	5	1.16%			0.00%
California Olive Ranch Inc.	35,861,014	6	1.23%			0.00%
Land O Lakes Inc.	19,467,603	7	0.67%	10,314,942	7	0.50%
California Resources Corp.	18,066,244	8	0.62%			0.00%
Omega Walnut LLC	16,512,653	9	0.56%			0.00%
Koehen C. F. & Sons Orchards	14,367,521	10	0.49%	9,732,761	8	0.47%
Venoco Inc.				66,572,357	3	3.23%
The Nature Conservancy				10,923,875	6	0.53%
Fair Trade Corner Inc.				8,013,662	9	0.39%
Key Production Co. Inc.				7,937,560	10	0.38%
	<u>\$ 406,997,987</u>		<u>13.91%</u>	<u>\$ 296,905,029</u>		<u>14.39%</u>
Net Assessed Value of Taxable Property	<u>\$ 2,925,468,207</u>			<u>\$ 2,063,404,715</u>		

Note: Assessed Value amounts include Secured and Unsecured less exemptions.

Source: County of Glenn Department of Finance



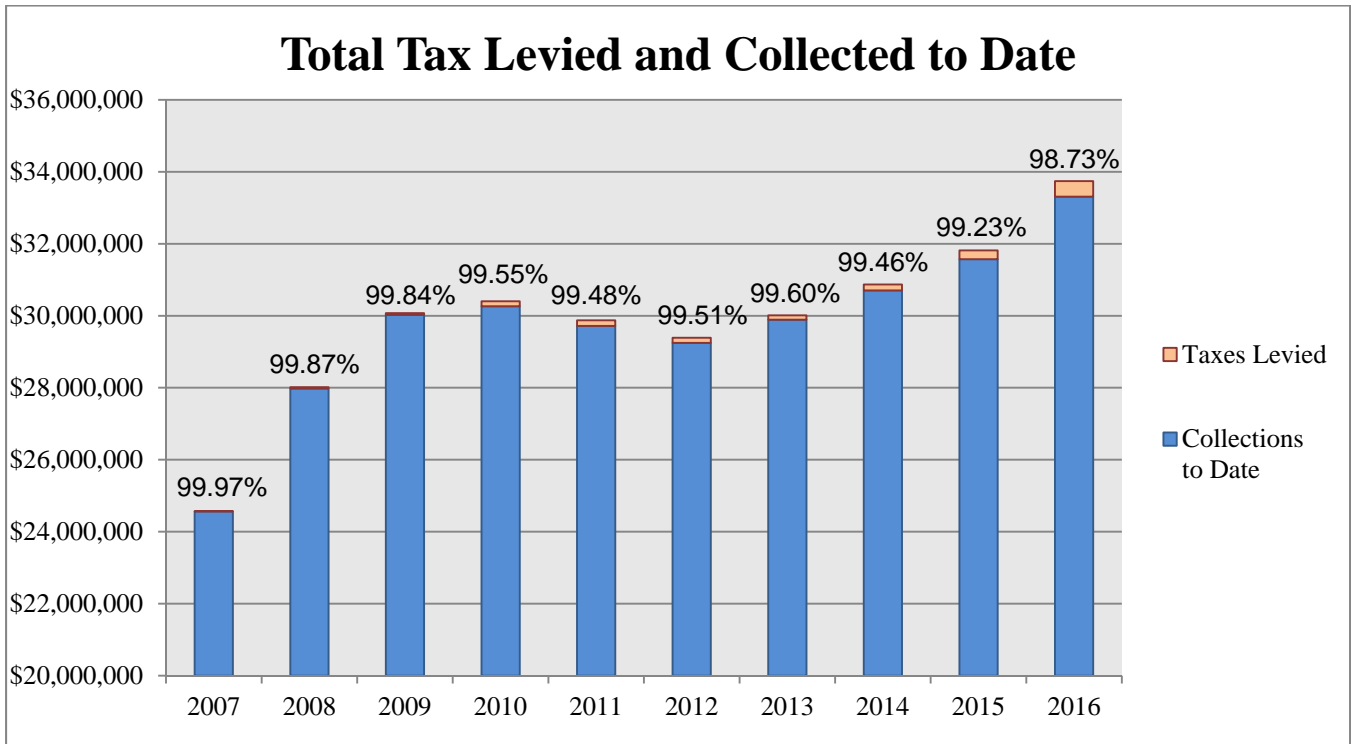
COUNTY OF GLENN

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Taxes Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	24,570,077	23,933,004	97.41%	630,466	24,563,470	99.97%
2008	28,016,678	26,784,865	95.60%	1,195,081	27,979,946	99.87%
2009	30,072,295	29,211,267	97.14%	811,739	30,023,006	99.84%
2010	30,401,258	29,528,685	97.13%	735,142	30,263,827	99.55%
2011	29,875,679	29,084,997	97.35%	634,975	29,719,972	99.48%
2012	29,389,848	28,670,690	97.55%	576,084	29,246,774	99.51%
2013	30,013,501	29,454,246	98.14%	437,916	29,892,162	99.60%
2014	30,871,137	30,229,374	97.92%	474,633	30,704,007	99.46%
2015	31,816,694	31,365,992	98.58%	204,978	31,570,970	99.23%
2016	33,741,327	33,312,554	98.73%	-	33,312,554	98.73%

Note: Amounts include secured and unsecured tax levy for the County itself, school districts, cities and special districts under the supervision of their own governing boards.

Source: County of Glenn Department of Finance

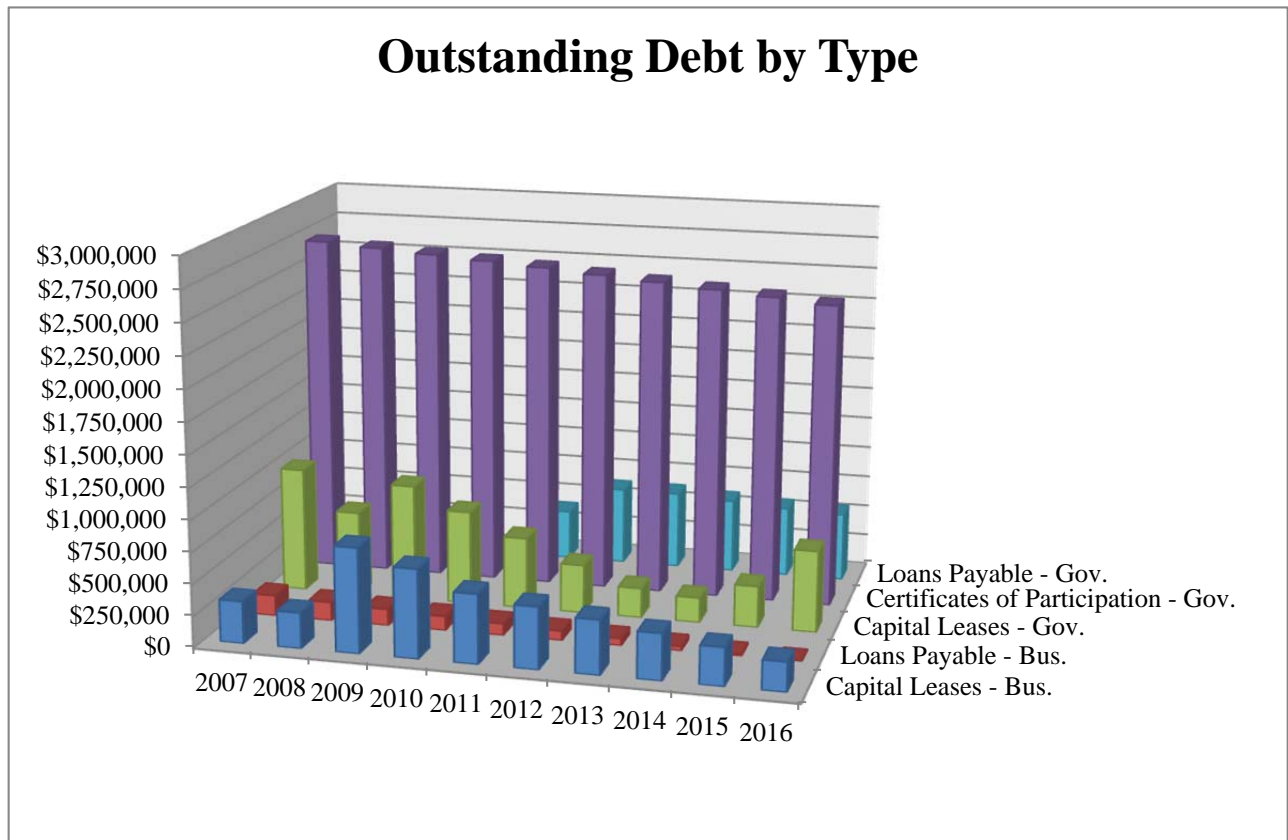


COUNTY OF GLENN

Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government
	Loans Payable	Certificates of Participation	Capital Leases	Loans Payable	Capital Leases	
2007	-	2,715,000	992,774	163,174	336,641	4,207,589
2008	-	2,685,000	672,070	147,871	286,800	3,791,741
2009	-	2,655,000	925,390	131,603	833,170	4,545,163
2010	-	2,625,000	748,699	114,369	706,961	4,195,029
2011	395,900	2,595,000	569,424	96,169	552,944	4,209,437
2012	620,083	2,560,000	386,982	77,003	495,001	4,139,069
2013	620,144	2,525,000	237,390	56,871	435,091	3,874,496
2014	591,323	2,490,000	229,233	35,774	371,543	3,717,873
2015	561,631	2,455,000	331,159	13,710	305,457	3,666,957
2016	546,450	2,415,000	649,809	-	235,603	3,846,862

Source: County of Glenn Department of Finance



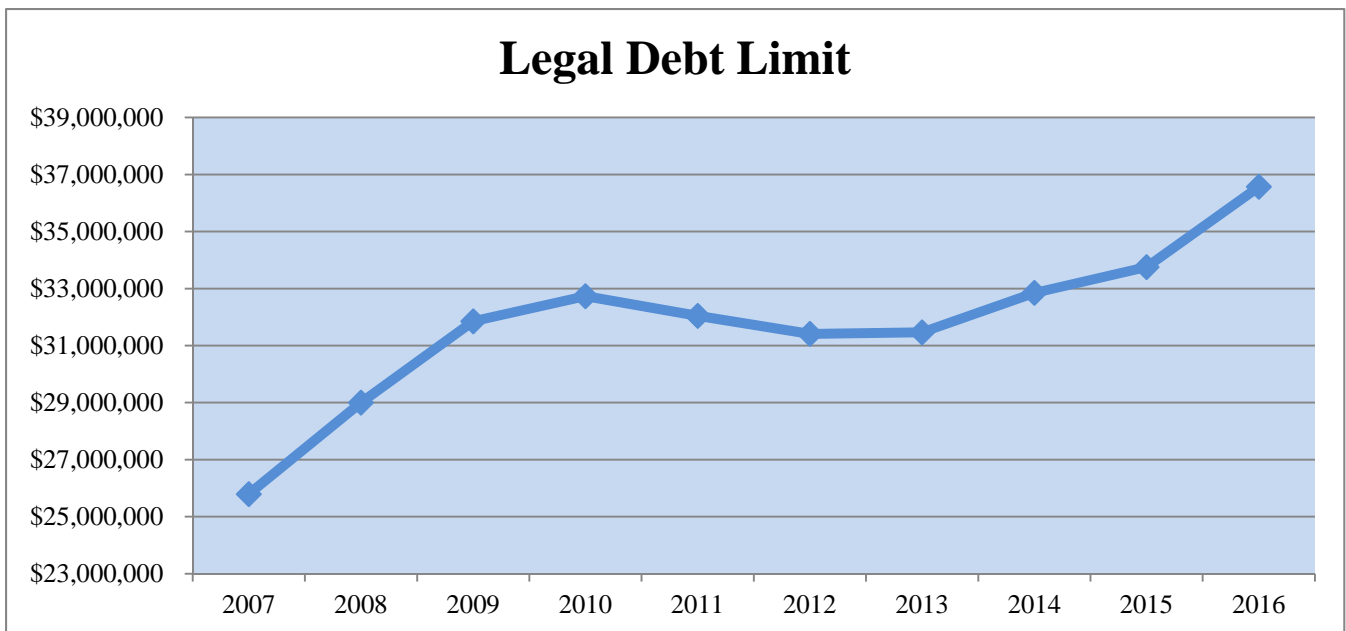
COUNTY OF GLENN

Computation of Legal Debt Margin
Last Ten Fiscal Years

Fiscal Year	Assessed Value (1)	Legal Debt Limit (2)	General Bonded Debt (3)	Legal Debt Margin (4)	Legal Debt margin/ Debt Limit
2007	2,063,404,715	25,792,559	-	25,792,559	100.00%
2008	2,320,196,878	29,002,461	-	29,002,461	100.00%
2009	2,548,039,634	31,850,495	-	31,850,495	100.00%
2010	2,618,579,055	32,732,238	-	32,732,238	100.00%
2011	2,563,404,319	32,042,554	-	32,042,554	100.00%
2012	2,512,882,019	31,411,025	-	31,411,025	100.00%
2013	2,517,155,872	31,464,448	-	31,464,448	100.00%
2014	2,627,909,199	32,848,865	-	32,848,865	100.00%
2015	2,700,409,968	33,755,125	-	33,755,125	100.00%
2016	2,925,468,207	36,568,353	-	36,568,353	100.00%

Notes:

- 1 – Total assessed valuation does not include exempt property.
 - 2 – The legal debt limit is set by statute at 1.25% of the total assessed valuation.
 - 3 – The County does not have any general bonded debt.
 - 4 – The legal debt margin is the legal debt limit reduced by all general bonded debt.
- Source: Glenn County Department of Finance



COUNTY OF GLENN

Demographic and Economic Statistics Last Ten Fiscal Years

Calendar Year	County Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2006	27,652	706,222,000	25,540	5,907	8.4%
2007	27,775	834,370,000	30,040	5,934	9.2%
2008	28,019	903,857,000	32,259	5,790	12.4%
2009	28,100	918,489,000	32,686	5,672	15.1%
2010	28,101	955,296,000	33,995	5,664	16.4%
2011	28,173	1,069,060,000	37,946	5,600	15.1%
2012	27,957	1,087,544,000	38,901	5,515	13.6%
2013	27,940	1,106,571,000	39,605	5,544	11.2%
2014	27,955	1,070,048,000	38,278	5,669	10.1%
2015	28,017	1,103,167,000	39,375	5,629	8.9%

Sources:

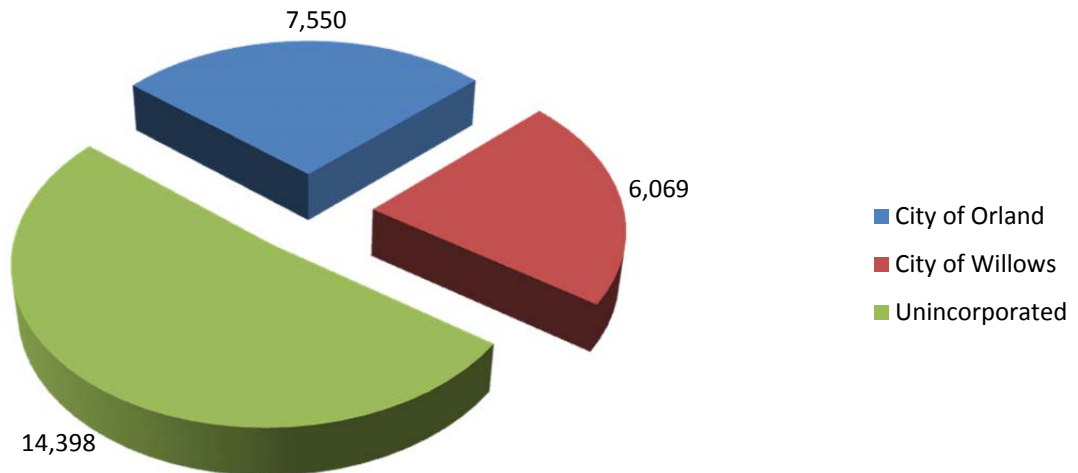
Economic Data – U.S. Department of Commerce, Bureau of Economic Analysis
 Education Data – California Department of Education
 Unemployment Data – U.S. Bureau of Labor Statistics

Detail of estimated population

Incorporated Cities

City of Orland	7,550
City of Willows	6,069
Total of incorporated	13,619
Total of unincorporated	14,398
Total Population	28,017

County Estimated Population by Location



COUNTY OF GLENN

Miscellaneous Statistical Information

Geographic Location: The County of Glenn is located 85 miles north of Sacramento and 75 miles south of Redding along Interstate 5. Glenn County has a total area of 1327 square miles. Glenn County represents 0.81% of the total area of the State of California.

County Seat: Willows, California
Date of Incorporation: March 5, 1891
Form of Government: General Law County, governed by a five-member Board of Supervisors
Fiscal Year: July 1 though June 30
Incorporated Cities: Orland
Willows

Roads: 826 miles of County maintained streets and roads in the unincorporated areas

Capital Assets:

<u>Function / Program</u>	<u>As of June 30, 2016</u>
General Government	
Law library	1
Public Protection	
Fire stations (under the BOS)	4
Juvenile center	1
Sheriff headquarters	1
Sheriff stations	2
Jail	1
Public Ways and Facilities	
Airports	2
Health and Sanitation	
Clinics	2
Landfills	1
Public Assistance	
Employment and Training Centers	2
Education	
Libraries - (partial County funded)	5

Source: Glenn County Department of Finance

COUNTY OF GLENN

Principal Employers and County FTEs by Function
Current Year and Comparisons

Company or Organization	Fiscal Year Ended June 30, 2016			Fiscal year Ended June 30, 2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
County of Glenn	407	1	3.42%	519	1	4.72%
Johns Manville	250-499	2	2.1%-4.2%	340	2	3.09%
Erick Nielsen Enterprises	100-249	3-8	0.8%-2.1%			
Glenn Medical Center	100-249	3-8	0.8%-2.1%	74	7	0.67%
Jacinto Grange	100-249	3-8	0.8%-2.1%			
Rumiano Cheese	100-249	3-8	0.8%-2.1%			
Sunsweet Dryers	100-249	3-8	0.8%-2.1%			
Wal-Mart	100-249	3-8	0.8%-2.1%	200	3	1.82%
Glenn County Office of Education	50-99	9-10	0.4%-0.8%	81	5	0.74%
Land O' Lakes Inc.	50-99	9-10	0.4%-0.8%			
Sunbridge Healthcare Corp.				99	4	0.90%
Glenn-Colusa Irrigation District				75	6	0.68%
L & W Stone Corp.				70	8-9	0.64%
Mendocino National Forest District				70	8-9	0.64%
Bureau of Reclamation				60	10	0.55%
Total	950-2,173		11.12%-21.82%	1,588		14.45%

Source: California EDD and Glenn County Department of Finance

Function/ Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	60.5	61.5	59.5	60.5	54.5	43.5	42.5	43.0	35.0	29.0
Public Protection	166.8	168.8	160.6	153.5	145.0	144.5	142.8	153.7	155.3	116.5
Public Ways & Facilities	38.0	37.0	38.0	39.0	37.0	39.0	37.5	38.0	52.0	59.8
Health & Sanitation	102.0	110.8	101.8	103.5	87.5	85.5	87.0	90.0	111.0	101.0
Public Assistance	151.5	153.5	152.5	151.5	151.5	150.5	148.5	143.0	119.0	98.0
Education	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total full-time equivalent employees	520.8	533.6	514.3	510.0	477.5	465.0	460.3	469.7	474.3	406.3

Source: Glenn County Department of Finance