

COUNTY OF GLENN

State of California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017



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Prepared Under the Supervision of:

Edward J. Lamb

County Director of Finance



COUNTY OF GLENN

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INTRODUCTORY SECTION





County of Glenn

525 West Sycamore Street, Suite B1
WILLOWS, CALIFORNIA 95988
Telephone (530) 934-6400 Fax: (530) 934-6421

December 11, 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, 2017, 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, 2017, and the respective changes in financial position and cash flows, 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., County of Glenn 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:

- ❖ The “One Stop Shop” business process review for licensing and permitting
- ❖ Closure of the County’s solid waste landfill
- ❖ Investigation of health and safety impacts to the County in response to the passage of the Adult Use of Marijuana Act.
- ❖ Investigation of the need to fill the CAO position and to restructure County departments and operations

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 the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. 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 2016-2017 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

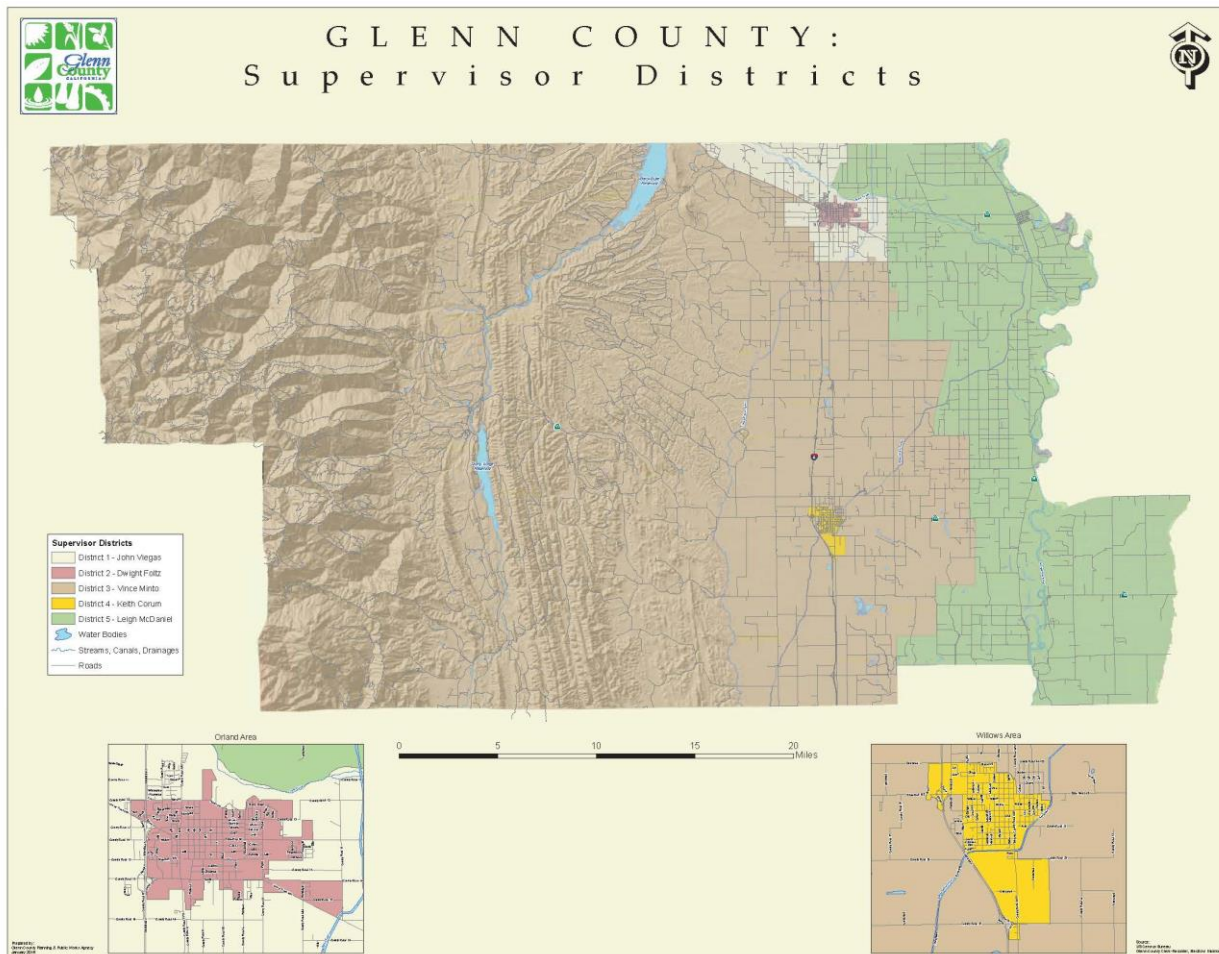
Independent Audit

County charter requires an annual audit by independent certified public accountants. The firm CliftonLarsonAllen 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, 2017, 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, 2017, 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
December 11, 2017

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

*Chosen annually at the first meeting in January.



COUNTY OF GLENN
PRINCIPAL COUNTY OFFICIALS
December 11, 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

Assessor, Clerk-Recorder, Elections – Charles Meriam

County Counsel – Alicia Ekland

Director of Child Support Services – Dawn Mayer

Director of Finance – Edward Lamb

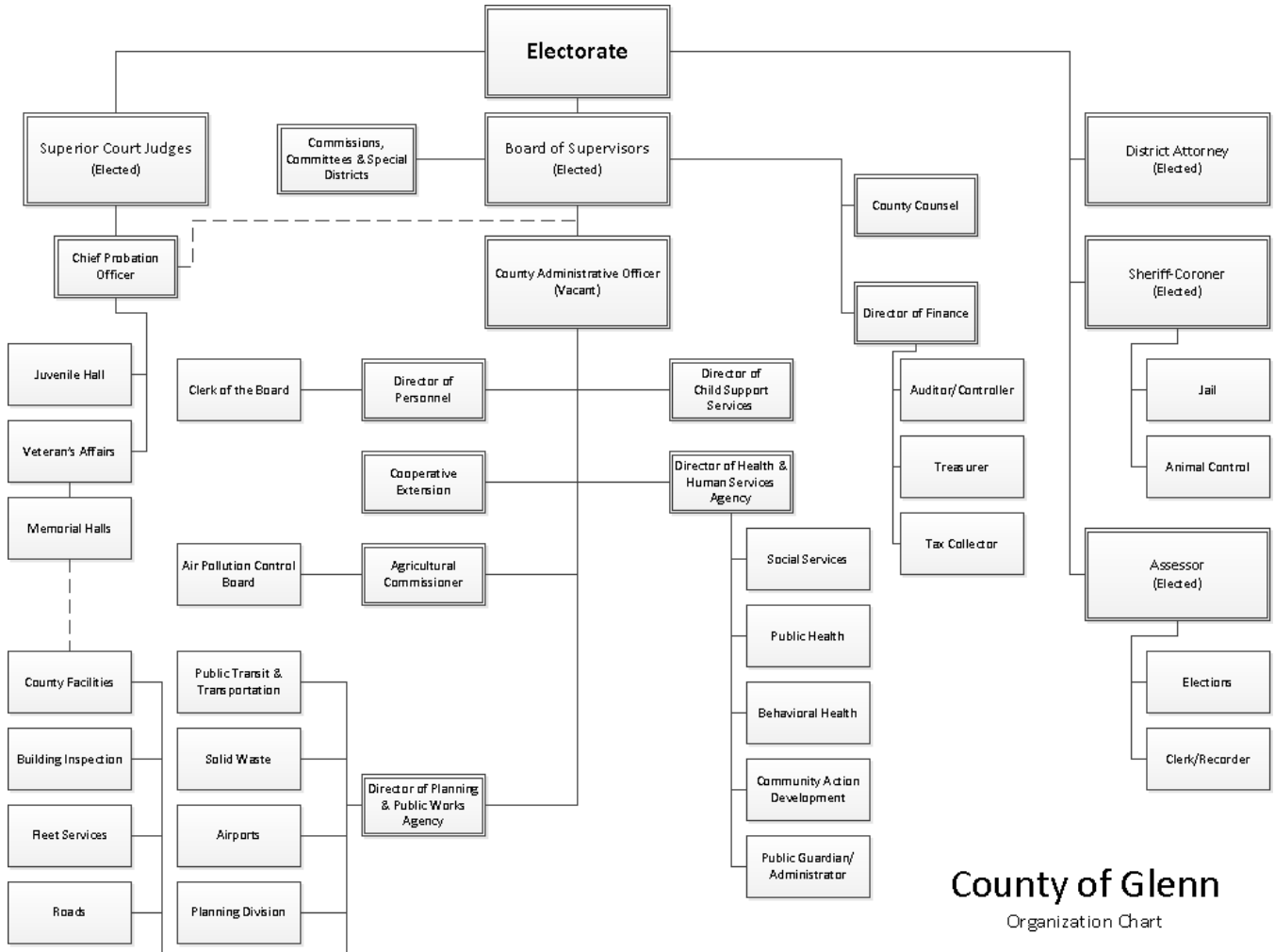
Director of Health & Human Services – Christine Zoppi

Director of Personnel – Linda Durrer

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

Probation/Veteran's Services Officer– Brandon Thompson

COUNTY OF GLENN
ORGANIZATIONAL CHART
December 11, 2017



County of Glenn
 Organization Chart



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
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, 2017, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2017, 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 non-major 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 non-major 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 December 11, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California
December 11, 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, 2017. It should be read in conjunction with the County’s financial statements following this section.

I. Financial Highlights

	2016-17	2015-16	\$ Change	% Change
Government-wide Deficit	\$ (11,955,764)	\$ (7,892,815)	\$ (4,062,949)	(51.5%)
Governmental Fund Balance	\$ 19,948,462	\$ 19,546,957	\$ 401,505	2.1%
General Fund Fund Balance	\$ 2,699,189	\$ 3,740,893	\$ (1,041,704)	(27.8%)
Revenues	\$ 77,571,122	\$ 75,409,610	\$ 2,161,512	2.9%
Expenses	\$ 81,634,071	\$ 74,483,289	\$ 7,150,782	9.6%
Long-term Liabilities	\$ 100,164,963	\$ 84,066,790	\$ 16,098,173	19.1%

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 comparison schedules for the major governmental funds, the aggregated non-major special revenue funds, the capital projects fund, and the debt service fund.

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.

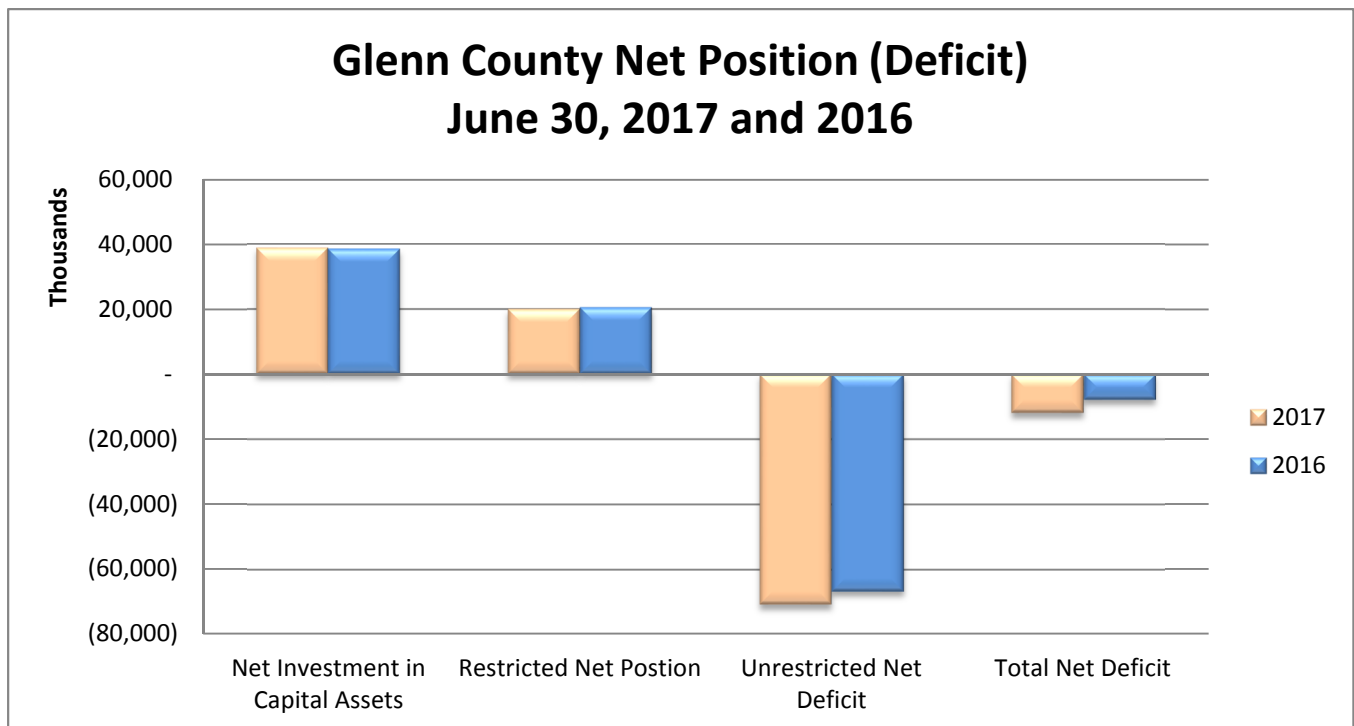
III. Government-Wide Overall Financial Analysis

	Governmental Activities		Business-type Activities		Total		Total	
	2017	2016	2017	2016	2017	2016	\$ Change 2016 to 2017	% Change 2016 to 2017
Current and other assets	\$ 34,805,855	\$ 33,749,148	\$ 9,768,910	\$ 8,669,972	\$ 44,574,765	\$ 42,419,120	\$ 2,155,645	5.1%
Capital assets	39,702,603	40,325,538	2,708,319	1,952,178	42,410,922	42,277,716	133,206	0.3%
Total Assets	74,508,458	74,074,686	12,477,229	10,622,150	86,985,687	84,696,836	2,288,851	2.7%
Total Deferred Outflows of Resources	12,488,322	3,736,835	111,844	34,684	12,600,166	3,771,519	8,828,647	234.1%
Current and other liabilities	9,948,724	8,899,514	71,893	65,511	10,020,617	8,965,025	1,055,592	11.8%
Long-term liabilities	85,288,305	69,451,158	14,876,658	14,615,632	100,164,963	84,066,790	16,098,173	19.1%
Total Liabilities	95,237,029	78,350,672	14,948,551	14,681,143	110,185,580	93,031,815	17,153,765	18.4%
Total Deferred Inflows of Resources	1,344,522	3,295,501	11,515	33,854	1,356,037	3,329,355	(1,973,318)	(59.3%)
Net investment in capital assets	36,336,231	36,714,279	2,546,232	1,716,576	38,874,927	38,430,855	444,072	1.2%
Restricted net position	20,111,449	21,282,910	-	-	20,111,449	21,282,910	(1,171,461)	(5.5%)
Unrestricted net deficit	(65,896,660)	(61,831,841)	(4,917,225)	(5,774,739)	(70,942,140)	(67,606,580)	(3,335,560)	4.9%
Total Net Deficit	\$ (9,584,771)	\$ (3,834,652)	\$ (2,370,993)	\$ (4,058,163)	\$ (11,955,764)	\$ (7,892,815)	\$ (4,062,949)	51.5%

The largest positive portion of the County's net position reflects the County's investment in capital assets (e.g. its land, construction in progress, buildings and improvements, equipment and vehicles, and infrastructure); 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.

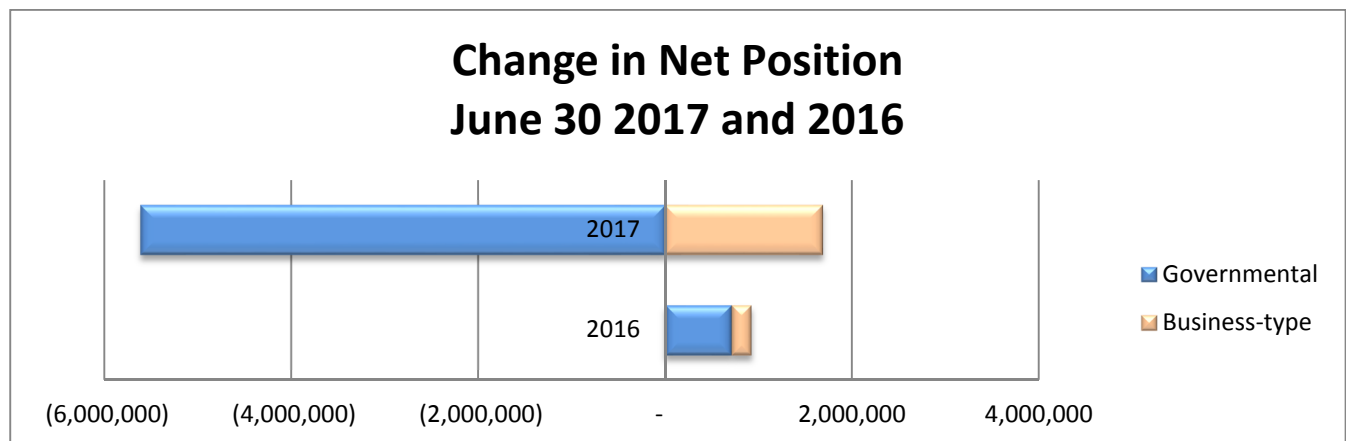


The significant factor contributing to the County's net deficit is the implementation of GASB Statement No. 68 in 2015. GASB 68 required the County to record the unfunded portion of the pension liability, recording the unfunded portion reduced the County's net position significantly.

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

	Governmental Activities		Business-type Activities		Total		Total	
	2017	2016	2017	2016	2017	2016	\$ Change 2016 to 2017	% Change 2016 to 2017
Revenues:								
Program revenues:								
Charges for services	\$ 13,031,783	\$ 12,314,334	\$ 2,726,692	\$ 2,766,692	\$ 15,758,475	\$ 15,081,026	\$ 677,449	4.5%
Operating grants and contributions	47,298,971	47,359,955	64,729	43,225	47,363,700	47,403,180	(39,480)	(0.1%)
Capital grants and contributions	625,634	23,160	650,524	-	1,276,158	23,160	1,252,998	5,410.2%
General revenues:								
Property taxes	6,729,998	6,544,159	-	-	6,729,998	6,544,159	185,839	2.8%
Sales taxes	1,006,059	1,061,082	-	-	1,006,059	1,061,082	(55,023)	(5.2%)
Real property transfer taxes	130,310	147,574	-	-	130,310	147,574	(17,264)	(11.7%)
Other taxes	21,557	16,492	-	-	21,557	16,492	5,065	30.7%
Franchise fees	657,043	646,373	215,405	210,370	872,448	856,743	15,705	1.8%
Unrestricted grants and contributions	3,779,120	3,640,683	-	-	3,779,120	3,640,683	138,437	3.8%
Unrestricted investment income	143,702	138,727	55,533	21,542	199,235	160,269	38,966	24.3%
Miscellaneous revenues	431,459	471,523	2,603	3,719	434,062	475,242	(41,180)	(8.7%)
Total Revenues	73,855,636	72,364,062	3,715,486	3,045,548	77,571,122	75,409,610	2,161,512	2.9%
Program expenses:								
General government	10,560,435	6,549,464	-	-	10,560,435	6,549,464	4,010,971	61.2%
Public protection	21,699,524	18,852,815	-	-	21,699,524	18,852,815	2,846,709	15.1%
Public ways and facilities	6,302,755	8,139,741	-	-	6,302,755	8,139,741	(1,836,986)	(22.6%)
Health and sanitation	16,448,632	14,787,266	-	-	16,448,632	14,787,266	1,661,366	11.2%
Public assistance	24,088,255	22,887,338	-	-	24,088,255	22,887,338	1,200,917	5.2%
Education	405,103	367,406	-	-	405,103	367,406	37,697	10.3%
Interest on long-term debt	126,763	119,119	-	-	126,763	119,119	7,644	6.4%
Solid waste	-	-	1,249,564	1,336,645	1,249,564	1,336,645	(87,081)	(6.5%)
Solid waste closure	-	-	203,542	890,347	203,542	890,347	(686,805)	(77.1%)
Airport	-	-	549,498	553,148	549,498	553,148	(3,650)	(0.7%)
Total Expenses	79,631,467	71,703,149	2,002,604	2,780,140	81,634,071	74,483,289	7,150,782	9.6%
Change in net assets before transfers	(5,775,831)	660,913	1,712,882	265,408	(4,062,949)	926,321	(4,989,270)	(5.39)
Transfers in/ (out)	25,712	53,871	(25,712)	(53,871)	-	-	-	0%
Change in net position	(5,750,119)	714,784	1,687,170	211,537	(4,062,949)	926,321	(4,989,270)	(538.6%)
Net Position (deficit) - Beginning	(3,834,652)	(4,500,412)	(4,058,163)	(4,269,700)	(7,892,815)	(8,770,112)	877,297	(10.0%)
Prior period adjustment	-	(49,024)	-	-	-	(49,024)	49,024	(100.0%)
Net Deficit - Ending	\$ (9,584,771)	\$ (3,834,652)	\$ (2,370,993)	\$ (4,058,163)	\$ (11,955,764)	\$ (7,892,815)	\$ (4,062,949)	51.5%

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, 2017.

Component	Amount	Description
Nonspendable	\$ 585,158	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.
Restricted	\$ 17,308,687	These are amounts that are externally constrained by creditors, grantors, contributions, laws, regulations, or enabling legislation.
Committed	\$ 45,320	These are amounts that are for specific purposes determined by the Board of Supervisors such as encumbrances.
Unassigned	\$ 2,009,297	These are amounts that represent the residual classification for the County's General Fund.
Total	\$ 19,948,462	

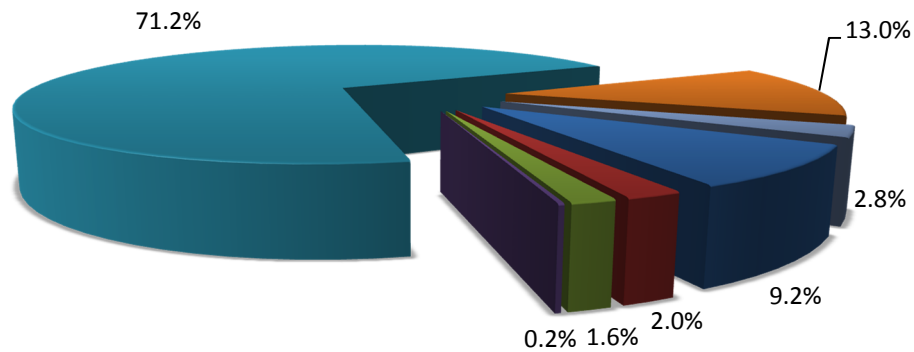
With the approval of the Board of Supervisors, County management may allocate a portion of fund balance to a particular function, project or activity, and may also allocate for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception 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	2016-17		2015-16		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
Taxes	\$ 6,881,865	9.2%	\$ 6,708,225	9.4%	\$ 173,640	2.6%
Licenses, permits, and franchises	1,510,288	2.0%	1,608,056	2.2%	(97,768)	(6.1%)
Fines, forfeitures, and penalties	1,182,538	1.6%	1,516,695	2.1%	(334,157)	(22.0%)
Revenues from uses of money and property	160,348	0.2%	244,007	0.3%	(83,659)	(34.3%)
Aid from other governments	53,002,427	71.2%	51,030,655	71.2%	1,971,772	3.9%
Charges for services	9,704,773	13.0%	8,464,809	11.8%	1,239,964	14.6%
Other	2,043,081	2.8%	2,103,455	2.9%	(60,374)	(2.9%)
Total Revenue	\$ 74,485,320	100.0%	\$ 71,675,902	100.0%	\$ 2,809,418	3.9%

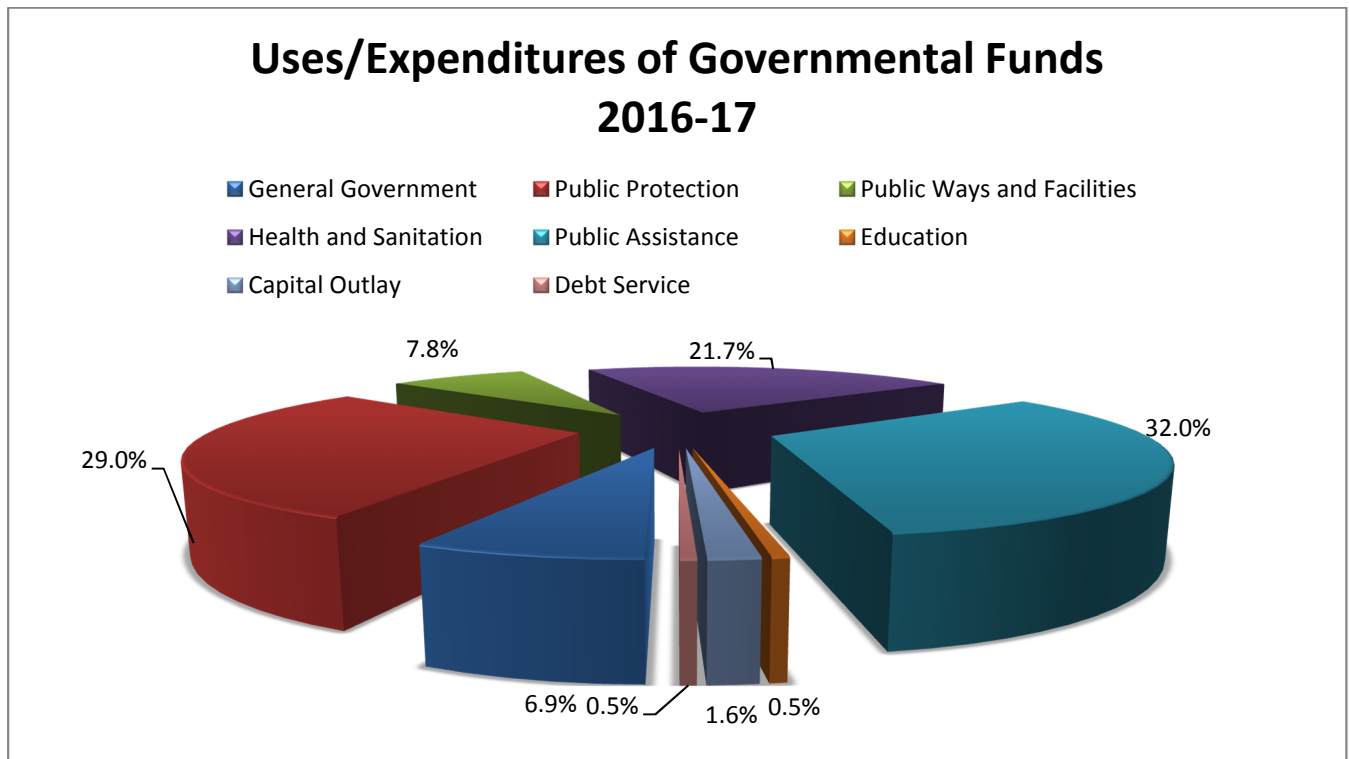
Sources of Revenue - Governmental Funds 2016-17

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



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

Expenditures by Function	2016-17		2015-16		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
General government	\$ 5,068,540	6.9%	\$ 6,233,083	8.6%	\$ (1,164,543)	(18.7%)
Public protection	21,407,800	29.0%	21,012,651	29.1%	395,149	1.9%
Public ways and facilities	5,734,477	7.8%	4,018,012	5.6%	1,716,465	42.7%
Health and sanitation	15,976,410	21.7%	14,546,199	20.1%	1,430,211	9.8%
Public assistance	23,646,977	32.0%	22,680,876	31.4%	966,101	4.3%
Education	394,900	0.5%	375,375	0.5%	19,525	5.2%
Capital outlay	1,149,569	1.6%	2,935,979	4.1%	(1,786,410)	(60.8%)
Debt service	371,650	0.5%	430,628	0.6%	(58,978)	(13.7%)
Total Expenditures	\$ 73,750,323	100.0%	\$ 72,232,803	100.0%	\$ 1,517,520	2.1%



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.

	2016-17		2015-16		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
Enterprise Funds						
Operating Revenues						
Charges for services	\$ 2,458,570	82.8%	\$ 2,446,072	82.0%	\$ 12,498	0.5%
Rental income	261,658	8.8%	309,511	10.4%	(47,853)	(15.5%)
Other	249,201	8.4%	225,198	7.6%	24,003	10.7%
Total Operating Revenues	2,969,429	100.0%	2,980,781	100.0%	(11,352)	(0.4%)
Operating Expenses						
Salaries and benefits	482,208	24.2%	387,417	14.0%	94,791	24.5%
Services and supplies	1,435,800	72.0%	2,273,231	82.2%	(837,431)	(36.8%)
Depreciation	74,793	3.8%	105,364	3.8%	(30,571)	(29.0%)
Total Operating Expenses	1,992,801	100.0%	2,766,012	100.0%	(773,211)	(28.0%)
Operating Income	\$ 976,628		\$ 214,769		\$ 761,859	354.7%
Internal Service Funds						
Operating Revenues						
Charges for services	\$ 2,453,502	99.8%	\$ 2,338,518	99.8%	\$ 114,984	4.9%
Rental income	3,000	0.1%	2,825	0.1%	175	6.2%
Other	3,019	0.1%	2,896	0.1%	123	4.2%
Total Operating Revenues	2,459,521	100.0%	2,344,239	100.0%	115,282	4.9%
Operating Expenses						
Services and supplies	2,433,689	98.2%	2,332,924	89.1%	100,765	4.3%
Depreciation	45,542	1.8%	284,293	10.9%	(238,751)	(84.0%)
Total Operating Expenses	2,479,231	100.0%	2,617,217	100.0%	(137,986)	(5.3%)
Operating Loss	\$ (19,710)		\$ (272,978)		\$ 253,268	(92.8%)

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	\$ 6,971,179	\$ 6,971,179	\$ 6,881,865	\$ (89,314)
Licenses, permits, and franchises	1,543,506	1,543,506	1,510,288	(33,218)
Fines, forfeitures, and penalties	1,569,777	1,569,777	1,182,538	(387,239)
Revenues from uses of money and property	49,460	49,472	160,348	110,876
Aid from other governments	61,754,169	63,672,226	53,002,427	(10,669,799)
Charges for services	10,536,718	10,813,890	9,704,773	(1,109,117)
Other	2,028,374	2,037,116	2,043,081	5,965
Total Revenues	84,453,183	86,657,166	74,485,320	(12,171,846)
Expenditures				
General government	5,618,314	5,608,950	5,068,540	540,410
Public protection	22,901,770	23,582,706	21,407,800	2,174,906
Public ways and facilities	9,966,952	10,705,114	5,734,477	4,970,637
Health and sanitation	17,852,155	18,017,124	15,976,410	2,040,714
Public assistance	26,331,028	26,743,508	23,646,977	3,096,531
Education	406,969	406,969	394,900	12,069
Capital outlay	900,827	1,249,650	1,149,569	100,081
Debt service	374,690	378,215	371,650	6,565
Total Expenditures	84,352,705	86,692,236	73,750,323	12,941,913
Excess (Deficiency) of Revenues Over Expenditures	100,478	(35,070)	734,997	770,067
Other Financing Sources (Uses)				
Transfers in	29,164,285	29,893,020	9,930,899	(19,962,121)
Transfers out	(29,309,061)	(30,223,917)	(10,264,391)	19,959,526
Total Other Financing Sources (Uses)	(144,776)	(330,897)	(333,492)	(2,595)
Net Change in Fund Balances	\$ (44,298)	\$ (365,967)	\$ 401,505	\$ 767,472

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets includes land, construction in progress, buildings and improvements, equipment and vehicles, 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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Land	\$ 157,414	\$ 141,873	\$ 1,022,894	\$ 1,022,894	\$ 1,180,308	\$ 1,164,767
Construction in progress	5,104,615	4,641,711	920,683	89,749	6,025,298	4,731,460
Buildings and improvements	9,109,145	9,508,323	695,913	753,561	9,805,058	10,261,884
Equipment	3,309,276	2,953,504	68,829	85,974	3,378,105	3,039,478
Infrastructure	22,022,153	23,080,127	-	-	22,022,153	23,080,127
Total Capital Assets, Net	\$ 39,702,603	\$ 40,325,538	\$ 2,708,319	\$ 1,952,178	\$ 42,410,922	\$ 42,277,716

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, net other post employment obligation, and net pension obligation.

	Governmental Activities		Business-type Activities		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Certificates of participation	\$ 2,370,000	\$ 2,415,000	\$ -	\$ -	\$ 2,370,000	\$ 2,415,000
Loans	546,450	546,450	-	-	546,450	546,450
Capital leases	449,922	649,809	162,087	235,603	612,009	885,412
Compensated absences	1,828,561	1,675,373	32,174	30,333	1,860,735	1,705,706
Landfill postclosure obligation	-	-	4,328,668	4,518,329	4,328,668	4,518,329
Landfill closure obligation	-	-	9,566,861	9,173,658	9,566,861	9,173,658
Net OPEB obligation	16,728,229	15,764,635	184,826	179,090	16,913,055	15,943,725
Net Pension obligation	63,365,143	48,399,891	602,042	478,619	63,967,185	48,878,510
Total Long-term Liabilities	\$ 85,288,305	\$ 69,451,158	\$ 14,876,658	\$ 14,615,632	\$ 100,164,963	\$ 84,066,790

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 2016-2017 Final Budget in the amount of \$101,487,556. 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, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 26,531,947	\$ 9,496,120	\$ 36,028,067
Internal balances	(12,805)	12,805	-
Due from other agencies	83,343	572	83,915
Accounts receivable	444,175	226,804	670,979
Due from other governments	5,101,523	-	5,101,523
Prepaid expenses	201,793	2,358	204,151
Inventory	171,441	30,251	201,692
Loans Receivable	2,284,438	-	2,284,438
Capital Assets:			
Non-depreciable	5,262,029	1,943,577	7,205,606
Depreciable, net	34,440,574	764,742	35,205,316
Total capital assets	<u>39,702,603</u>	<u>2,708,319</u>	<u>42,410,922</u>
Total Assets	<u>74,508,458</u>	<u>12,477,229</u>	<u>86,985,687</u>
DEFERRED OUTFLOWS OF RESOURCES-PENSION	<u>12,488,322</u>	<u>111,844</u>	<u>12,600,166</u>
LIABILITIES			
Accounts payable	4,112,340	28,439	4,140,779
Salaries and benefits payable	1,240,014	13,820	1,253,834
Interest payable	164	1,592	1,756
Deposits payable	26,687	28,042	54,729
Unearned revenue	4,569,519	-	4,569,519
Long-term liabilities:			
Due within one year	1,454,282	92,602	1,546,884
Due in more than one year	83,834,023	14,784,056	98,618,079
Total Liabilities	<u>95,237,029</u>	<u>14,948,551</u>	<u>110,185,580</u>
DEFERRED INFLOWS OF RESOURCES-PENSION	<u>1,344,522</u>	<u>11,515</u>	<u>1,356,037</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	36,336,231	2,546,232	38,874,927
Restricted for:			
General government	563,466	-	563,466
Public protection	5,319,210	-	5,319,210
Public ways & facilities	2,104,829	-	2,104,829
Health & sanitation	4,168,921	-	4,168,921
Public assistance	6,516,260	-	6,516,260
Education	639,347	-	639,347
Capital projects	603,655	-	603,655
Debt service	59,970	-	59,970
Unrestricted	<u>(65,896,660)</u>	<u>(4,917,225)</u>	<u>(70,806,349)</u>
Total Net Deficit	<u>\$ (9,584,771)</u>	<u>\$ (2,370,993)</u>	<u>\$ (11,955,764)</u>

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

COUNTY OF GLENN

Statement of Activities
For the Fiscal Year Ended June 30, 2017

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	\$ 10,560,435	\$ 4,234,841	\$ 921,192	\$ -	\$ (5,404,402)	\$ -	\$ (5,404,402)
Public protection	21,699,524	4,104,405	7,839,312	-	(9,755,807)	-	(9,755,807)
Public ways and facilities	6,302,755	1,430,508	1,882,895	625,634	(2,363,718)	-	(2,363,718)
Health and sanitation	16,448,632	3,215,662	13,096,939	-	(136,031)	-	(136,031)
Public assistance	24,088,255	45,517	23,556,722	-	(486,016)	-	(486,016)
Education	405,103	850	1,911	-	(402,342)	-	(402,342)
Interest on long-term debt	126,763	-	-	-	(126,763)	-	(126,763)
Total Governmental Activities	79,631,467	13,031,783	47,298,971	625,634	(18,675,079)	-	(18,675,079)
Business-type activities:							
Solid waste	1,249,564	2,150,354	40,000	-	-	940,790	940,790
Solid waste closure	203,542	-	-	-	-	(203,542)	(203,542)
Airport	549,498	576,338	24,729	650,524	-	702,093	702,093
Total Business-type Activities	2,002,604	2,726,692	64,729	650,524	-	1,439,341	1,439,341
Total Primary Government	\$ 81,634,071	\$ 15,758,475	\$ 47,363,700	\$ 1,276,158	(18,675,079)	1,439,341	(17,235,738)
General revenues:							
Taxes:							
Property taxes					6,729,998	-	6,729,998
Sales and use taxes					1,006,059	-	1,006,059
Real property transfer taxes					130,310	-	130,310
Other taxes					21,557	-	21,557
Franchise fees					657,043	215,405	872,448
Grants and contributions - unrestricted					3,779,120	-	3,779,120
Interest and investment earnings					143,702	55,533	199,235
Miscellaneous					431,459	2,603	434,062
Transfers in (out)					25,712	(25,712)	-
Total General Revenues					12,924,960	247,829	13,172,789
Change in Net Position					(5,750,119)	1,687,170	(4,062,949)
Net Deficit - Beginning					(3,834,652)	(4,058,163)	(7,892,815)
Net Deficit - Ending					\$ (9,584,771)	\$ (2,370,993)	\$ (11,955,764)

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, 2017

	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	\$ 5,647,295	\$ 1,101,265	\$ 2,164,882	\$ 3,242,541	\$ 6,372,406	\$ 6,116,767	\$ 24,645,156
Due from other funds	2,134,959	21,661	151,303	-	138	148,609	2,456,670
Accounts receivable	30,147	308,378	12,292	11,557	3,934	18,055	384,363
Due from other governments	3,500,310	-	-	278,852	753,417	568,944	5,101,523
Prepaid items	140,746	3,400	226	-	80	13,092	157,544
Inventory	-	43,408	99,736	-	-	3,519	146,663
Advances to other funds	280,951	-	-	-	-	750,000	1,030,951
Loans receivable	-	2,284,438	-	-	-	-	2,284,438
Total Assets	\$ 11,734,408	\$ 3,762,550	\$ 2,428,439	\$ 3,532,950	\$ 7,129,975	\$ 7,618,986	\$ 36,207,308
LIABILITIES							
Due to other funds	\$ 108,252	\$ 51,351	\$ 35,491	\$ 508,961	\$ 899,409	\$ 791,698	\$ 2,395,162
Accounts payable	3,567,129	201,959	216,236	-	2,726	87,478	4,075,528
Accrued salaries and benefits	962,652	48,941	112,806	-	37,567	78,048	1,240,014
Interest payable	164	-	-	-	-	-	164
Deposits payable	22,162	3,617	-	-	-	908	26,687
Unearned revenue	866,205	724	-	2,935,480	715,190	8,011	4,525,610
Advances from other funds	750,000	250,000	-	-	-	-	1,000,000
Total Liabilities	6,276,564	556,592	364,533	3,444,441	1,654,892	966,143	13,263,165
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	2,758,655	149,814	-	-	-	87,212	2,995,681
FUND BALANCES							
Nonspendable	421,697	46,808	99,962	-	80	16,611	585,158
Restricted	222,875	3,009,336	1,963,944	88,509	5,475,003	6,549,020	17,308,687
Committed	45,320	-	-	-	-	-	45,320
Unassigned	2,009,297	-	-	-	-	-	2,009,297
Total Fund Balances	2,699,189	3,056,144	2,063,906	88,509	5,475,083	6,565,631	19,948,462
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,734,408	\$ 3,762,550	\$ 2,428,439	\$ 3,532,950	\$ 7,129,975	\$ 7,618,986	\$ 36,207,308

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, 2017

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

Fund Balances - Total Governmental Funds \$ 19,948,462

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

Land	157,414	
Construction in progress	5,097,079	
Buildings and improvements	18,028,900	
Equipment	12,079,361	
Infrastructure	42,318,958	
Less: accumulated depreciation	<u>(39,369,854)</u>	
Total capital assets		38,311,858

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. 2,995,681

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. 3,303,733

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, 2017 are:

Certificates of participation	(2,370,000)	
Loans payable	(546,450)	
Capital leases	(449,922)	
Compensated absences	(1,828,561)	
Net OPEB obligation	(16,728,229)	
Net Pension Liability	<u>(63,365,143)</u>	
Total long-term liabilities		(85,288,305)

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, 2017 are:

Deferred outflows of resources	12,461,699	
Deferred inflows of resources	<u>(1,317,899)</u>	
Total deferred pension balances		<u>11,143,800</u>

Net Deficit of Governmental Activities \$ (9,584,771)

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, 2017

	<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 2011 Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES							
Taxes	\$ 6,535,976	\$ -	\$ -	\$ -	\$ -	\$ 345,889	\$ 6,881,865
Licenses, permits, and franchises	1,130,307	-	20,003	-	-	359,978	1,510,288
Fines, forfeitures, and penalties	1,140,600	-	-	-	-	41,938	1,182,538
Revenues from uses of money and property	74,934	14,941	15,010	22,505	6,769	26,189	160,348
Aid from other governments	31,029,256	1,867,545	3,533,205	2,931,963	7,978,075	5,662,383	53,002,427
Charges for services	7,433,529	7,488	442,290	-	-	1,821,466	9,704,773
Other	769,126	9,386	13,782	-	-	1,250,787	2,043,081
Total Revenues	48,113,728	1,899,360	4,024,290	2,954,468	7,984,844	9,508,630	74,485,320
EXPENDITURES							
Current:							
General government	5,034,584	-	-	-	-	33,956	5,068,540
Public protection	18,269,720	-	-	-	1,175,506	1,962,574	21,407,800
Public ways and facilities	-	-	3,617,598	-	-	2,116,879	5,734,477
Health and sanitation	14,677,827	-	-	8,301	-	1,290,282	15,976,410
Public assistance	17,903,280	2,387,900	-	-	-	3,355,797	23,646,977
Education	394,900	-	-	-	-	-	394,900
Capital Outlay	159,913	-	958,875	-	-	30,781	1,149,569
Debt Service:							
Principal	-	-	-	-	-	244,888	244,888
Interest and other charges	14,133	-	-	-	-	112,629	126,762
Total Expenditures	56,454,357	2,387,900	4,576,473	8,301	1,175,506	9,147,786	73,750,323
Excess (Deficiency) of Revenues Over Expenditures	(8,340,629)	(488,540)	(552,183)	2,946,167	6,809,338	360,844	734,997
OTHER FINANCING SOURCES (USES)							
Transfers in	8,586,344	797,003	239,488	-	-	308,064	9,930,899
Transfers out	(1,287,419)	(287,548)	-	(2,946,167)	(5,314,794)	(428,463)	(10,264,391)
Total Other Financing Sources (Uses)	7,298,925	509,455	239,488	(2,946,167)	(5,314,794)	(120,399)	(333,492)
Net Change in Fund Balances	(1,041,704)	20,915	(312,695)	-	1,494,544	240,445	401,505
Fund Balances - Beginning	3,740,893	3,035,229	2,376,601	88,509	3,980,539	6,325,186	19,546,957
Fund Balances - Ending	\$ 2,699,189	\$ 3,056,144	\$ 2,063,906	\$ 88,509	\$ 5,475,083	\$ 6,565,631	\$ 19,948,462

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, 2017

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 \$ 401,505

Amounts reported for governmental activities in the statement 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	1,149,569	
Depreciation expense not reported in governmental funds	<u>(1,975,237)</u>	(825,668)

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		244,888
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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		(541,940)
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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	(153,189)	
Other postemployment benefits (OPEB)	(963,594)	
Pension	<u>(4,262,787)</u>	(5,379,570)

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.

	<u>350,666</u>
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Change in Net Position of Governmental Activities \$ (5,750,119)

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

COUNTY OF GLENN

Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste Operating Fund	Solid Waste Closure Fund	Airport Fund		Internal Service Funds
ASSETS					
Current Assets:					
Cash and investments	\$ 4,041,210	\$ 5,000,285	\$ 454,625	\$ 9,496,120	\$ 1,886,791
Due from other funds	15,409	-	12,528	27,937	74,897
Accounts receivable	132,704	16,417	77,683	226,804	59,812
Prepaid expenses	2,358	-	-	2,358	44,249
Inventory	-	-	30,251	30,251	24,778
Total Current Assets	4,191,681	5,016,702	575,087	9,783,470	2,090,527
Noncurrent Assets:					
Capital assets:					
Nondepreciable	1,037,257	-	906,320	1,943,577	7,536
Depreciable, net	66,308	-	698,434	764,742	1,383,209
Total Noncurrent Assets	1,103,565	-	1,604,754	2,708,319	1,390,745
DEFERRED OUTFLOWS OF RESOURCES-PENSION	111,844	-	-	111,844	-
LIABILITIES					
Current Liabilities:					
Due to other funds	10,589	-	3,971	14,560	69,368
Accounts payable	19,970	-	8,469	28,439	36,812
Accrued salaries and benefits	13,820	-	-	13,820	-
Interest payable	1,592	-	-	1,592	-
Deposits payable	-	-	28,042	28,042	-
Unearned revenue	-	-	-	-	43,909
Advances from other funds	-	-	-	-	27,450
Capital leases	77,522	-	-	77,522	-
Compensated absences	15,080	-	-	15,080	-
Total Current Liabilities	138,573	-	40,482	179,055	177,539
Noncurrent Liabilities:					
Capital leases	84,565	-	-	84,565	-
Compensated absences	17,094	-	-	17,094	-
Postclosure liability	-	4,328,668	-	4,328,668	-
Closure liability	-	9,566,861	-	9,566,861	-
Net OPEB obligation	184,826	-	-	184,826	-
Net pension liability	602,042	-	-	602,042	-
Total Noncurrent Liabilities	888,527	13,895,529	-	14,784,056	-
DEFERRED INFLOWS OF RESOURCES-PENSION	11,515	-	-	11,515	-
NET POSITION (DEFICIT)					
Net investment in capital assets	941,478	-	1,604,754	2,546,232	1,390,745
Unrestricted	3,426,997	(8,878,827)	534,605	(4,917,225)	1,912,988
Total Net Position (Deficit)	\$ 4,368,475	\$ (8,878,827)	\$ 2,139,359	\$ (2,370,993)	\$ 3,303,733

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, 2017

	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	\$ 2,143,890	\$ -	\$ 314,680	\$ 2,458,570
Rental income	-	-	261,658	261,658
Other	223,152	-	26,049	249,201
Total Operating Revenues	2,367,042	-	602,387	2,969,429
OPERATING EXPENSES				
Salaries and benefits	482,208	-	-	482,208
Services and supplies	741,012	203,542	491,246	1,435,800
Depreciation	16,541	-	58,252	74,793
Total Operating Expenses	1,239,761	203,542	549,498	1,992,801
Operating Income (Loss)	1,127,281	(203,542)	52,889	976,628
NON-OPERATING REVENUES (EXPENSES)				
Aid from other governments	40,000	-	650,524	690,524
Investment income	22,573	29,802	3,158	55,533
Gain on sale of capital assets	-	-	-	-
Interest expense	(9,803)	-	-	(9,803)
Total Non-Operating Revenue	52,770	29,802	653,682	736,254
Income (Loss) Before Transfers	1,180,051	(173,740)	706,571	1,712,882
Transfers in	-	-	-	-
Transfers out	(16,606)	-	(9,106)	(25,712)
Change in Net Position	1,163,445	(173,740)	697,465	1,687,170
Net Position (Deficit) - Beginning	3,205,030	(8,705,087)	1,441,894	(4,058,163)
Net Position (Deficit) - Ending	\$ 4,368,475	\$ (8,878,827)	\$ 2,139,359	\$ (2,370,993)

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, 2017

	Business-Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste Operating Fund	Solid Waste Closure Fund	Airport Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Charges for services	\$ 2,370,435	\$ (7,945)	\$ 528,427	\$ 2,890,917	\$ 2,491,389
Payments to suppliers	(739,151)	-	(485,712)	(1,224,863)	(2,461,704)
Payments to employees	(451,511)	-	-	(451,511)	-
Net Cash Provided (Used) by Operating Activities	1,179,773	(7,945)	42,715	1,214,543	29,685
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants and other receipts	40,000	-	650,524	690,524	-
Interfund loan repayments received	145	370,721	1,353	372,219	57,914
Interfund loans received	10,589	-	3,971	14,560	96,815
Interfund loans made	(15,409)	-	(21,634)	(37,043)	(74,894)
Interfund loans repaid	(533,524)	-	(46,841)	(580,365)	(67,404)
Transfers in	-	-	-	-	359,204
Transfers out	(16,606)	-	-	(16,606)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(514,805)	370,721	587,373	443,289	371,635
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(115,690)	-	(715,244)	(830,934)	(248,275)
Proceeds from sale of capital assets	-	-	-	-	464
Principal paid on capital debt	(73,516)	-	-	(73,516)	-
Interest paid on capital debt	(10,517)	-	-	(10,517)	-
Net Cash Used by Capital and Related Financing Activities	(199,723)	-	(715,244)	(914,967)	(247,811)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	22,573	29,802	3,158	55,533	10,708
Net Increase (Decrease) in Cash and Cash Equivalents	487,818	392,578	(81,998)	798,398	164,217
Cash and Cash Equivalents - Beginning	3,553,392	4,607,707	536,623	8,697,722	1,722,574
Cash and Cash Equivalents - Ending	\$ 4,041,210	\$ 5,000,285	\$ 454,625	\$ 9,496,120	\$ 1,886,791

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, 2017

	Business-Type Activities Enterprise Funds				Governmental Activities
	Solid Waste Operating Fund	Solid Waste Closure Fund	Airport Fund	Total	Internal Service Funds
	RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,127,281	\$ (203,542)	\$ 52,889	\$ 976,628	\$ (19,710)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	16,541	-	58,252	74,793	45,542
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	3,393	(7,945)	(74,505)	(79,057)	(1,025)
Prepaid expenses	40	-	-	40	(33,233)
Inventory	-	-	-	-	(2,556)
Deferred outflows of resources	(77,160)	-	-	(77,160)	-
(Increase) decrease in:					
Accounts payable	1,821	-	5,534	7,355	7,774
Accrued salaries and benefits	(804)	-	-	(804)	-
Deposits payable	-	-	545	545	-
Unearned revenue	-	-	-	-	32,893
Compensated absences	1,841	-	-	1,841	-
Closure/ postclosure liability	-	203,542	-	203,542	-
Net OPEB obligation	5,736	-	-	5,736	-
Net pension liability	123,423	-	-	123,423	-
Deferred inflows of resources	(22,339)	-	-	(22,339)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,179,773</u>	<u>\$ (7,945)</u>	<u>\$ 42,715</u>	<u>\$ 1,214,543</u>	<u>\$ 29,685</u>

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

COUNTY OF GLENN

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	<u>Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Total</u>	<u>Agency Funds</u>
ASSETS				
Cash and investments	\$ 48,676,645	\$ 25,307	\$ 48,701,952	\$ 6,994,546
Due from other funds	281,348	-	281,348	14,302
Interest receivable	151,840	83	151,923	195,550
Property taxes receivable	-	-	-	1,782,629
Total Assets	<u>49,109,833</u>	<u>25,390</u>	<u>49,135,223</u>	<u>8,987,027</u>
LIABILITIES				
Due to other funds	30,343	-	30,343	345,721
Advances from other funds	-	-	-	3,501
Agency obligations	-	-	-	8,637,805
Total Liabilities	<u>30,343</u>	<u>-</u>	<u>30,343</u>	<u>\$ 8,987,027</u>
NET POSITION				
Net position held in trust	<u>49,079,490</u>	<u>25,390</u>	<u>49,104,880</u>	
Total Net Position	<u>\$ 49,079,490</u>	<u>\$ 25,390</u>	<u>\$ 49,104,880</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, 2017

	<u>Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Total</u>
ADDITIONS			
Contributions to investment pool	\$ 136,571,720	\$ -	\$ 136,571,720
Investment income	252,488	152	252,640
Total Additions	<u>136,824,208</u>	<u>152</u>	<u>136,824,360</u>
DEDUCTIONS			
Distributions from investment pool	126,427,872	-	126,427,872
Change in Net Position	<u>10,396,336</u>	<u>152</u>	<u>10,396,488</u>
Net Position - Beginning	<u>38,683,154</u>	<u>25,238</u>	<u>38,708,392</u>
Net Position - Ending	<u>\$ 49,079,490</u>	<u>\$ 25,390</u>	<u>\$ 49,104,880</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, 2017

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, 2017 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

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, 2017

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

Implementation of Governmental Accounting Standards Board Statements

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

GASB Statement No. 77 – *Tax Abatement Disclosures*. The objective of this Statement is to provide transparency in financial statements prepared by state and local governments in conformity with generally accepted accounting principles, provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. There was no significant impact on the County's financial statements as a result of the implementation of this Statement.

GASB Statement No. 82 – *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address issues regarding: (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. There was no significant impact on the County's financial statements as a result of the implementation of this Statement.

Future Pronouncements

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pension Plans*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions of this Statement are effective for the County's fiscal year ending June 30, 2018.

GASB Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on: (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The provisions of this Statement are effective for the County's fiscal year ending June 30, 2020.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

Future Pronouncements (continued)

GASB Statement No. 85 – *Omnibus 2017*. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). The provisions of this Statement are effective for the County's fiscal year ending June 30, 2018.

GASB Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions of this Statement are effective for the County's fiscal year ending June 30, 2021.

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 major 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 non-operating 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 non-operating revenues and expenses.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

Fund Financial Statements (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 general government, public protection, 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 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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

Fund Financial Statements (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 *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 *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 *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 non-operating revenues and expenses. Grants and similar items are recognized in the fiscal year in which all eligibility 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, the 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, 2017

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, 2017 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, 2017, 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, 2017

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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents (continued)

Fair Value Measurements (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, 2017.

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, 2016.

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, 2017

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 twenty-five percent of the total delinquent secured taxes as calculated at the end of the fiscal 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 collectible.

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 land, 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, 2017

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	100,000 to 125,000 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 in actual contributions versus proportionate share of contributions, changes of assumptions, differences between expected and actual experiences, changes in proportion, 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 other pension actuarial differences such as: differences in actual contributions versus proportionate share of contributions, changes of assumptions, differences between expected and actual experiences, changes in proportion, 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, 2017

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

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, 2017

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, 2017

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.

NOTE 2: CASH AND INVESTMENTS

As of June 30, 2017, the County’s cash and investments are reported in the financial statements as follows:

Statement of Net Position:

Primary government	\$ 36,028,067
Fiduciary funds	55,696,498
Total Cash and Investments	<u>\$ 91,724,565</u>

Cash and investments as of June 30, 2017 consisted of the following:

Cash in bank - revolving and custodial	\$ 526,870
Deposits in treasurer’s pool (less outstanding warrants)	7,291,213
Investments	83,906,482
Total Cash and Investments	<u>\$ 91,724,565</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, 2017

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 or Bonds of the State of California
- Registered Treasury Notes or Bonds of any of the other 49 United States
- Local Agency Obligations within the State of California
- Time Deposits
- California Asset Management Program (CAMP)
- Supranational Securities
- Asset-Backed Securities (ABS)

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	1.250 - 2.144%	\$ -	\$ 17,246,991	\$ 17,246,991	3.88
Governmental Agencies	0.087 - 2.042%	-	25,314,849	25,314,849	2.64
Commercial Paper	1.257 - 1.420%	6,354,032	-	6,354,032	0.33
Corporate Notes	1.270 - 2.305%	1,200,661	4,271,100	5,471,761	2.70
Certificates of Deposits	1.678 - 1.910%	-	2,001,081	2,001,081	1.59
Money Markets	Variable	4,974,157	-	4,974,157	-
LAIF	Variable	18,892,827	-	18,892,827	0.53
CAMP	Variable	1,250,784	-	1,250,784	0.13
Teeter Note	Variable	2,400,000	-	2,400,000	1.00
Total Investments		\$ 35,072,461	\$ 48,834,021	\$ 83,906,482	1.42

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

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.

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	Percent of Portfolio
US Treasury Notes	N/A	AA+	Aaa	20.56%
Governmental Agencies	N/A	AA+	Aaa	30.17%
Commercial Paper	N/A	A-1	P-1	7.57%
Corporate Note	A	A+	A1	1.19%
Corporate Note	A	A	A1	0.67%
Corporate Notes	A	A	A2	1.59%
Corporate Note	A	A-	A3	0.63%
Corporate Note	A	AA+	Aa1	0.98%
Corporate Note	A	AA-	Aa2	0.35%
Corporate Note	A	AA-	Aa3	1.10%
Certificate of Deposit	N/A	A+	A1	1.19%
Certificate of Deposit	N/A	A+	Aa3	1.19%
Money Market Account	N/A	Unrated	Unrated	5.90%
Money Market Account	N/A	Unrated	Unrated	0.03%
LAIF	N/A	Unrated	Unrated	22.52%
CAMP	N/A	Unrated	Unrated	1.49%
Teeter Note	N/A	Unrated	Unrated	2.87%
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:

Investment Type	Issuer	Investment Balance	Percentage of Total Investments
Governmental Agencies	Freddie Mac	\$ 5,968,349	7.11%
Governmental Agencies	Fannie Mae	\$ 15,642,998	18.64%
Money Market Account	Umpqua Bank	\$ 4,949,007	5.90%

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

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, 2017

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, 2017:

	Internal Participants	External Participants	Total Pool
Statement of Net Position			
Cash on hand	\$ 25,516	\$ 501,354	\$ 526,870
Deposits (Less outstanding warrants)	2,878,387	4,412,826	7,291,213
Investments	33,124,164	50,782,318	83,906,482
Net Position on June 30, 2017	\$ 36,028,067	\$ 55,696,498	\$ 91,724,565
Statement of Changes in Net Position			
Net position on July 1, 2016	\$ 32,518,071	\$ 45,800,276	\$ 78,318,347
Net changes in investments by pool participants	3,509,996	9,896,222	13,406,218
Net Position on June 30, 2017	\$ 36,028,067	\$ 55,696,498	\$ 91,724,565

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, 2017:

	Fair Value Measurements			
Investments by fair value level	Total	Level 1	Level 2	Level 3
US Treasury Notes	\$ 17,246,991	\$ 17,246,991	\$ -	\$ -
Governmental Agencies	25,314,849	25,314,849	-	-
Commercial Paper	6,354,032	6,354,032	-	-
Corporate Notes	5,471,761	5,471,761	-	-
LAIF	18,892,827	-	18,892,827	-
Teeter Note	2,400,000	-	-	2,400,000
Total investments by fair value level	\$ 75,680,460	\$ 54,387,633	\$ 18,892,827	\$ 2,400,000
Investments measured at cost-basis				
Certificate of Deposit	\$ 2,001,081			
Investments measured at amortized cost				
CAMP	\$ 1,250,784			
Money Market Accounts	4,974,157			
Total Investments	\$ 83,906,482			

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

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, 2017:

Due To Other Funds	Due From Other Funds	Amount
General Fund	Community Action Agency Fund	\$ 10,098
	Road Fund	581
	Mental Health Services Act Fund	508,961
	County Local Revenue 2011 Fund	899,361
	Other Governmental Funds	595,116
	Solid Waste Operating Fund	311
	Airport Fund	18
	Internal Service Funds	8,696
	Fiduciary Funds	111,817
		2,134,959
Community Action Agency Fund	General Fund	13,690
	Solid Waste Operating Fund	3,953
	Airport Fund	3,953
	Fiduciary Funds	65
		21,661
Road Fund	General Fund	2,145
	Community Action Agency Fund	40,646
	County Local Revenue 2011 Fund	47
	Other Governmental Funds	73,812
	Solid Waste Operating Fund	6,324
	Internal Service Funds	1,819
	Fiduciary Funds	26,510
		151,303
County Local Revenue 2011 Fund	General Fund	138
		138
Other Governmental Funds	General Fund	52,167
	Road Fund	34,122
	Other Governmental Funds	1,104
	Internal Service Funds	58,620
	Fiduciary Funds	2,596
		148,609
Solid Waste Fund	General Fund	2,146
	Other Governmental Funds	12,691
	Fiduciary Funds	572
		15,409
Subt-total carried over to next page		\$ 2,472,079

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

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		\$ 2,472,079
Airport Fund	Road Fund	786
	Other Governmental Funds	11,742
		12,528
Internal Service Funds	General Fund	26,258
	Community Action Agency Fund	597
	Road Fund	2
	County Local Revenue 2011 Fund	1
	Other Governmental Funds	48,035
	Solid Waste Operating Fund	1
	Internal Service Funds	3
		74,897
Fiduciary Funds	General Fund	11,708
	Community Action Agency Fund	10
	Other Governmental Funds	49,198
	Internal Service Funds	230
	Fiduciary Funds	234,504
		295,650
Total Due To/Due From Other Funds		\$ 2,855,154

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, 2017:

Advances From Other Funds	Advances To Other Funds	Amount
General Fund	Community Action Agency Fund	\$ 250,000
	Internal Service Funds	27,450
	Fiduciary Funds	3,501
		280,951
Other Governmental Funds	General Fund	750,000
Total		\$ 1,030,951

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

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, 2017:

<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Community Action Agency Fund	\$ 778,791	Transfer for County operations
	Other Governmental Funds	149,424	Transfer for County operations
	Internal Service Funds	359,204	Transfer for County operations
		<u>1,287,419</u>	
Community Action Agency Fund	General Fund	42,371	Transfer for special revenue allocation
	Road Fund	239,488	Transfer for special revenue allocation
	Other Governmental Funds	5,689	Transfer for debt service
		<u>287,548</u>	
Mental Health Services Act Fund	General Fund	<u>2,946,167</u>	Transfer for special revenue allocation
County Local Revenue 2011 Fund	General Fund	5,314,598	Transfer for special revenue allocation
	Other Governmental Funds	196	Transfer for debt service
		<u>5,314,794</u>	
Other Governmental Funds	General Fund	283,208	Transfer for special revenue allocation
	Other Governmental Funds	145,255	Transfer for debt service
		<u>428,463</u>	
Solid Waste Operating Fund	Community Action Agency Fund	9,106	Transfer for County operations
	Other Governmental Funds	7,500	Transfer for County operations
		<u>16,606</u>	
Airport Fund	Community Action Agency Fund	<u>9,106</u>	Transfer for County operations
Total		<u>\$ 10,290,103</u>	

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 4: RECEIVABLES

Receivables for the fiscal year ended June 30, 2017, for the County's individual major funds, nonmajor and internal service funds in the aggregate are as follows:

Accounts and Interest Receivable	General Fund	Community Action Agency Fund	Road Fund	Mental Health Services Act Fund	County Local Revenue 2011 Fund	Other Governmental Funds	Internal Service Funds	Total Governmental Activities
Governmental Activities								
Accounts	\$ -	\$ 305,366	\$ 5,582	\$ -	\$ -	\$ 1,084	\$ 53,825	\$ 365,857
Interest	30,147	3,012	6,710	11,557	3,934	16,971	5,987	78,318
Total Governmental Activities	<u>\$ 30,147</u>	<u>\$ 308,378</u>	<u>\$ 12,292</u>	<u>\$ 11,557</u>	<u>\$ 3,934</u>	<u>\$ 18,055</u>	<u>\$ 59,812</u>	<u>\$ 444,175</u>
Accounts and Interest Receivable	Solid Waste Operating Fund	Solid Waste Closure Fund	Airport Fund	Total Business- type Activities				
Business-type Activities								
Accounts	\$ 119,779	\$ -	\$ 75,940	\$ 195,719				
Interest	12,925	16,417	1,743	31,085				
Total Business-type Activities	<u>\$ 132,704</u>	<u>\$ 16,417</u>	<u>\$ 77,683</u>	<u>\$ 226,804</u>				

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 5: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2017
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 141,873	\$ 15,541	\$ -	\$ -	\$ 157,414
Construction in progress	4,641,711	970,318	-	(507,414)	5,104,615
Total Capital Assets, Not Being Depreciated	4,783,584	985,859	-	(507,414)	5,262,029
Capital Assets, Being Depreciated:					
Buildings and Improvements	18,235,538	-	-	-	18,235,537
Equipment	14,864,919	411,985	(391,814)	507,414	15,392,505
Infrastructure	42,318,958	-	-	-	42,318,958
Total Capital Assets, Being Depreciated	75,419,415	411,985	(391,814)	507,414	75,947,000
Less Accumulated Depreciation For:					
Buildings and Improvements	(8,727,215)	(399,178)	-	-	(9,126,393)
Equipment	(11,911,415)	(563,627)	391,814	-	(12,083,228)
Infrastructure	(19,238,831)	(1,057,974)	-	-	(20,296,805)
Total Accumulated Depreciation	(39,877,461)	(2,020,779)	391,814	-	(41,506,426)
Total Capital Assets, Being Depreciated, Net	35,541,954	(1,608,792)	-	507,414	34,440,574
Governmental Activities Capital Assets, Net	\$ 40,325,538	\$ (622,933)	\$ -	\$ -	\$ 39,702,603
	Balance July 1, 2016	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2017
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,022,894	\$ -	\$ -	\$ -	\$ 1,022,894
Construction in progress	89,749	830,934	-	-	920,683
Total Capital Assets, Not Being Depreciated	1,112,643	830,934	-	-	1,943,577
Capital Assets, Being Depreciated:					
Buildings and Improvements	1,649,648	-	-	-	1,649,648
Equipment	2,455,492	-	-	-	2,455,492
Total Capital Assets, Being Depreciated	4,105,140	-	-	-	4,105,140
Less Accumulated Depreciation For:					
Buildings and Improvements	(896,087)	(57,648)	-	-	(953,735)
Equipment	(2,369,518)	(17,145)	-	-	(2,386,663)
Total Accumulated Depreciation	(3,265,605)	(74,793)	-	-	(3,340,398)
Total Capital Assets, Being Depreciated, Net	839,535	(74,793)	-	-	764,742
Business-Type Activities Capital Assets, Net	\$ 1,952,178	\$ 756,141	\$ -	\$ -	\$ 2,708,319

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation

Depreciation expense was allocated to functions as follows:

General governmental	\$ 261,561
Public protection	376,628
Public ways and facilities	1,227,219
Health and sanitation	42,783
Public assistance	67,046

Subtotal of Governmental funds	1,975,237
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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	45,542
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Total Depreciation Expense - Governmental Functions	<u>\$ 2,020,779</u>
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Depreciation expense was charged to the business-type functions as follows:

Solid Waste Operating	\$ 16,541
Airport	58,252

Total Depreciation Expense - Business-Type Functions	<u>\$ 74,793</u>
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NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

Type of Indebtedness	Balance July 1, 2016	Additions	Adjustments/ Retirements	Balance June 30, 2017	Amounts Due Within One Year
Governmental Activities					
Certificates of Participation	\$ 2,415,000	\$ -	\$ (45,000)	\$ 2,370,000	\$ 45,000
Loans	546,450	-	-	546,450	-
Capital Leases	649,809	-	(199,887)	449,922	203,072
Compensated Absences	1,675,373	1,359,390	(1,206,202)	1,828,561	1,206,210
Net OPEB Liability	15,764,635	2,933,556	(1,969,962)	16,728,229	-
Net Pension Liability	48,399,890	18,545,242	(3,579,989)	63,365,143	-
Total Governmental Activities	<u>\$ 69,451,157</u>	<u>\$ 22,838,188</u>	<u>\$ (7,001,040)</u>	<u>\$ 85,288,305</u>	<u>\$ 1,454,282</u>
Business-Type Activities					
Capital Leases	\$ 235,603	\$ -	\$ (73,516)	\$ 162,087	\$ 77,522
Compensated Absences	30,333	16,920	(15,079)	32,174	15,080
Closure & Postclosure	13,691,987	-	203,542	13,895,529	-
Net OPEB Liability	179,090	17,707	(11,971)	184,826	-
Net Pension Liability	478,619	158,110	(34,687)	602,042	-
Total Business-Type Activities	<u>\$ 14,615,632</u>	<u>\$ 192,737</u>	<u>\$ 68,289</u>	<u>\$ 14,876,658</u>	<u>\$ 92,602</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, 2017

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Long-term liabilities for the year ended June 30, 2017, 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. \$ 2,370,000

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, 2017, the County had drawn down \$546,450 and became liable for that amount. 546,450

Total Governmental Activities \$ 2,916,450

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 6: 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
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	50,000	88,894	138,894
2023-2027	285,000	410,541	695,541
2028-2032	365,000	344,334	709,334
2033-2037	430,000	261,938	691,938
2038-2042	535,000	162,844	697,844
2043-2046	515,000	43,426	558,426
Total	\$ 2,370,000	\$ 1,687,764	\$ 4,057,764

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, 2017
Governmental activities	1.89%- 4.90%	\$ 449,922
Business-Type activities	5.00%	162,087
Total		\$ 612,009

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 6: 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>(393,203)</u>	<u>-</u>
 Net Book Value	 <u>\$ 977,906</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, 2017:

<u>Year Ended</u>	Governmental Activities	Business-Type Activities
2018	\$ 214,162	\$ 84,033
2019	127,405	84,033
2020	104,106	-
2021	<u>24,614</u>	<u>-</u>
Total requirements	470,287	168,066
Less interest	<u>(20,365)</u>	<u>(5,979)</u>
 Present Value of Remaining Payments	 <u>\$ 449,922</u>	 <u>\$ 162,087</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, 2017

NOTE 6: 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, 2017:

<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	\$ 4,723,557		\$ 4,328,668	\$ 394,889		
Closure	10,439,613		9,566,861	872,752		
Total	\$ 15,163,170	91.64%	\$ 13,895,529	\$ 1,267,641	\$ 5,000,285	\$ (8,895,244)

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, 2017

NOTE 7: 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, 2017, are summarized as follows:

	Miscellaneous Plans (Agent-Multiple Employer Plans)		
	Prior to January 1, 2013	On or after January 1, 2013	
Hire date			
Benefit formula	2.50% @ 55	2.00% @ 62	
Benefit vesting schedule	5 years of service	5 years of 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	April 1, 2012 through December 31, 2012	On or after January 1, 2013
Hire date			
Benefit formula	3.00% @ 50	3.00% @ 55	2.70% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of 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, 2017

NOTE 7: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Employees Covered

At June 30, 2017, 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	548	52
Inactive employees entitled to but not yet receiving benefits	417	20
Active employees	386	22
Total	<u>1,351</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, 2016 using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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, 2015 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous and Safety Plans</u>
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
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
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power applies, 2.75% thereafter

(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, 2017

NOTE 7: 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. Using historical returns of all of 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 for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was 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	20.00%	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	1.00%	-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, 2017

NOTE 7: 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, 2015	\$ 129,689,904	\$ 89,911,525	\$ 39,778,379
Changes in the year:			
Service Cost	2,758,567	-	2,758,567
Interest on the Total Pension Liability	10,870,635	-	10,870,635
Changes of Assumptions	-	-	-
Differences between Expected and Actual Experience	1,086,211	-	1,086,211
Plan to Plan Resource Movement	-	1,414	(1,414)
Contributions from the Employer	-	3,461,572	(3,461,572)
Contributions from the Employees	-	1,426,302	(1,426,302)
Net Investment Income	-	510,657	(510,657)
Benefit Payments, including Refunds of Employee Contributions	(7,825,301)	(7,825,301)	-
Administrative Expense	-	(60,652)	60,652
Change in Allocation	13,857,069	9,606,841	4,250,228
Net Changes during 2015-16	\$ 20,747,181	\$ 7,120,833	\$ 13,626,348
Balance at June 30, 2016	\$ 150,437,085	\$ 97,032,358	\$ 53,404,727
Safety Cost Sharing Plans:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	\$ 27,484,596	\$ 18,384,466	\$ 9,100,130
Net Changes during 2015-16	972,484	(489,844)	1,462,328
Balance at June 30, 2016	\$ 28,457,080	\$ 17,894,622	\$ 10,562,458

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 7: 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 Plan's Net Pension Liability / (Asset)	\$ 73,176,858	\$ 53,404,727	\$ 37,059,479
Safety Plans' Net Pension Liability / (Asset)	11,635,838	10,562,458	4,601,952
Total	<u>\$ 84,812,696</u>	<u>\$ 63,967,185</u>	<u>\$ 41,661,431</u>

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

For the year ended June 30, 2017, the County recognized pension expense of \$5,663,135. The following table presents the deferred outflows and deferred inflows of resources related to pensions as of June 30, 2017:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 4,835,883	\$ -
Difference in actual contributions versus proportionate share of contributions	320,652	-
Changes of Assumptions	-	(1,034,395)
Differences between Expected and Actual Experience	711,656	(295,019)
Change in proportion	238,320	(26,623)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	6,493,655	-
Total	<u>\$ 12,600,166</u>	<u>\$ (1,356,037)</u>

\$4,835,883 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, 2018. 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
2017	\$ 323,847
2018	1,312,928
2019	3,063,330
2020	1,708,141
2021	-
Thereafter	-
	<u>\$ 6,408,246</u>

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 8: 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, 2017, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation:

Annual Required Contribution	\$ 2,947,134
Interest on Net OPEB Obligation	637,749
Amortization Adjustment to ARC	(633,620)
	<hr/>
Annual OPEB Cost	2,951,263
Contributions Made	(1,981,933)
	<hr/>
Increase in NET OPEB Obligation	969,330
Net OPEB Obligation - Beginning of Year	15,943,725
	<hr/>
Net OPEB Obligation - End of Year	<u>\$ 16,913,055</u>

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 8: 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, 2017:

Normal Cost at Year End	\$ 1,234,526
Amortization of the Unfunded Actuarial Accrued Liability (UAAL)	<u>1,712,608</u>
Annual Required Contribution (ARC)	<u>\$ 2,947,134</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, 2015, 2016 and 2017 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
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
June 30, 2017	\$ 2,951,263	\$ 1,981,933	67.16%	\$ 16,913,055

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:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Projected Unit Credit Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
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%
July 1, 2016	\$ -	\$ 43,094,308	\$ 43,094,308	0.00%	\$ 14,092,553	305.79%

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, 2017

NOTE 8: 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, 2016. In that valuation, the Entry Age, Level Percent of Pay 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 9: 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, 2017, 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	\$ 140,746	\$ 3,400	\$ 226	\$ -	\$ 80	\$ 13,092	\$ 157,544
Inventory	-	43,408	99,736	-	-	3,519	146,663
Advances to other funds	280,951	-	-	-	-	-	280,951
Total Nonspendable	<u>421,697</u>	<u>46,808</u>	<u>99,962</u>	<u>-</u>	<u>80</u>	<u>16,611</u>	<u>585,158</u>
Restricted:							
General government	222,875	-	-	-	-	340,591	563,466
Public protection	-	-	-	-	2,901,190	2,331,330	5,232,520
Public ways and facilities	-	-	1,963,944	-	-	31,934	1,995,878
Health and sanitation	-	-	-	88,509	714,035	1,658,224	2,460,768
Public assistance	-	3,009,336	-	-	1,859,778	883,969	5,753,083
Education	-	-	-	-	-	639,347	639,347
Capital Projects	-	-	-	-	-	603,655	603,655
Debt service	-	-	-	-	-	59,970	59,970
Total Restricted	<u>222,875</u>	<u>3,009,336</u>	<u>1,963,944</u>	<u>88,509</u>	<u>5,475,003</u>	<u>6,549,020</u>	<u>17,308,687</u>
Committed:							
General government	45,320	-	-	-	-	-	45,320
Unassigned							
	<u>2,009,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,009,297</u>
Total Fund Balances	<u>\$ 2,699,189</u>	<u>\$ 3,056,144</u>	<u>\$ 2,063,906</u>	<u>\$ 88,509</u>	<u>\$ 5,475,083</u>	<u>\$ 6,565,631</u>	<u>\$ 19,948,462</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, 2017

NOTE 10: 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 11: 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.

NOTE 12: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Net Deficit

The Solid Waste Closure fund had a net deficit at June 30, 2017 of (\$8,878,827). 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, 2017

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	2016
Total Pension Liability			
Service cost	\$ 2,700,013	\$ 2,467,936	\$ 2,758,567
Interest on total pension liability	8,997,458	9,359,668	10,870,635
Changes of assumptions	-	(2,281,948)	-
Difference between expected and actual experience	-	(691,571)	1,086,211
Benefit payments, including refunds of employee contributions	(5,946,120)	(6,504,699)	(7,825,301)
Change in allocation	-	-	13,857,069
Net change in total pension liability	5,751,351	2,349,386	20,747,181
Total Pension Liability - Beginning	121,589,167	127,340,518	129,689,904
Total Pension Liability - Ending	\$ 127,340,518	\$ 129,689,904	\$ 150,437,085
Plan Fiduciary Net Position			
Contributions - employer	\$ 2,639,570	\$ 2,746,803	\$ 3,461,572
Contributions - employee	1,286,424	1,332,964	1,426,302
Net investment income	13,571,107	2,024,434	510,657
Benefit payments, including refunds of employee contributions	(5,946,120)	(6,504,699)	(7,825,301)
Plan to plan resource movement	-	(564)	1,414
Administrative expense	-	(101,173)	(60,653)
Change in allocation	-	-	9,606,842
Net change in plan fiduciary net position	11,550,981	(502,235)	7,120,833
Total Fiduciary Net Position - Beginning	78,862,779	90,413,760	89,911,525
Total Fiduciary Net Position - Ending	90,413,760	89,911,525	97,032,358
Net Pension Liability - Ending	\$ 36,926,758	\$ 39,778,379	\$ 53,404,727
Plan fiduciary net position as a percentage of the total pension liability	71.00%	69.33%	64.50%
Covered payroll	17,081,126	16,434,280	14,092,553

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, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

*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, 2017

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	2016
Actuarially-determined contribution	\$ 2,639,570	\$ 2,746,803	\$ 3,461,572
Contributions in relation to the actuarially-determined contribution	(2,639,570)	(2,746,803)	(3,461,572)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 17,081,126	\$ 16,434,280	\$ 14,092,553
Contributions as a percentage of covered employee payroll	15.45%	16.71%	24.56%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially-determined contribution for fiscal year 2015-16 were from the June 30, 2013 public agency valuation.

- Actuarial Cost Method: Entry Age Normal
- Amortization Method/Period: For details, see June 30, 2013 Funding Valuation Report.
- Asset Valuation Method: Market Value of Assets. For details, see June 30, 2013 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, 2017

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.

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

Last 10 Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Portion of the net pension liability	0.13312%	0.15158%	0.15008%
Proportionate share of the net pension liability	\$ 8,283,504	\$ 9,100,130	10,562,458
Covered payroll	\$ 1,968,330	\$ 1,836,646	1,777,320
Proportionate share of the net pension liability as a percentage of covered employee payroll	420.84%	495.48%	594.29%
Proportionate share of the fiduciary net position	\$ 5,782,452	\$ 6,087,084	\$ 6,641,974
Plan fiduciary net position as a percentage of the total pension liability	69.81%	66.89%	62.88%

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, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

*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, 2017

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

Schedule of Plan Contributions – Safety Cost Sharing Plans

Last 10 Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially-determined contribution	\$ 625,871	\$ 838,331	\$ 889,109
Contributions in relation to the actuarially-determined contribution	<u>(625,871)</u>	<u>(838,331)</u>	<u>(889,109)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,968,330	\$ 1,836,646	\$ 1,777,320
Contributions as a percentage of covered payroll	31.80%	45.64%	50.03%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially-determined contribution for fiscal year 2015-16 were from the June 30, 2013 public agency valuation.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see June 30, 2013 Funding Valuation Report.
Asset Valuation Method:	Market Value of Assets. For details, see June 30, 2013 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, 2017

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, 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%
July 1, 2016	\$ -	\$ 43,094,308	\$ 43,094,308	0.00%	\$ 14,092,553	305.79%

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, 2017, 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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,630,769	\$ 6,630,769	\$ 6,535,976	\$ (94,793)
Licenses, permits, and franchises	1,117,112	1,117,112	1,130,307	13,195
Fines, forfeitures and penalties	1,559,427	1,559,427	1,140,600	(418,827)
Revenues from uses of money and property	34,631	34,631	74,934	40,303
Aid from other governments	35,542,839	36,334,786	31,029,256	(5,305,530)
Charges for services	7,392,492	7,669,664	7,433,529	(236,135)
Other	660,632	669,374	769,126	99,752
Total Revenues	52,937,902	54,015,763	48,113,728	(5,902,035)
EXPENDITURES				
Current:				
General government	5,544,939	5,535,575	5,034,584	500,991
Public protection	18,793,953	19,489,978	18,269,720	1,220,258
Health and sanitation	16,559,761	16,669,277	14,677,827	1,991,450
Public assistance	19,284,886	19,529,074	17,903,280	1,625,794
Education	406,969	406,969	394,900	12,069
Capital Outlay	357,827	611,039	159,913	451,126
Debt Service:				
Interest and other charges	8,500	12,025	14,133	(2,108)
Total Expenditures	60,956,835	62,253,937	56,454,357	5,799,580
Deficiency of Revenues Over Expenditures	(8,018,933)	(8,238,174)	(8,340,629)	(102,455)
OTHER FINANCING SOURCES (USES)				
Transfers in	24,411,814	24,668,001	8,586,344	(16,081,657)
Transfers out	(15,906,921)	(16,219,393)	(1,287,419)	14,931,974
Total Other Financing Sources	8,504,893	8,448,608	7,298,925	(1,149,683)
Net Change in Fund Balances	485,960	210,434	(1,041,704)	(1,252,138)
Fund Balances - Beginning	3,740,893	3,740,893	3,740,893	-
Fund Balances - Ending	\$ 4,226,853	\$ 3,951,327	\$ 2,699,189	\$ (1,252,138)

COUNTY OF GLENN

Required Supplementary Information
 Budgetary Comparison Schedule
 Community Action Agency Fund
 For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Revenues from uses of money and property	\$ 6,084	\$ 6,096	\$ 14,941	\$ 8,845
Aid from other governments	2,530,977	2,722,068	1,867,545	(854,523)
Charges for services	8,880	8,880	7,488	(1,392)
Other	2,631	2,631	9,386	6,755
Total Revenues	2,548,572	2,739,675	1,899,360	(840,315)
EXPENDITURES				
Current:				
Public assistance	2,765,806	3,125,098	2,387,900	737,198
Deficiency of Revenues Over Expenditures	(217,234)	(385,423)	(488,540)	(103,117)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,485,620	2,952,668	797,003	(2,155,665)
Transfers out	(2,106,945)	(2,404,261)	(287,548)	2,116,713
Total Other Financing Sources	378,675	548,407	509,455	(38,952)
Net Change in Fund Balances	161,441	162,984	20,915	(142,069)
Fund Balances - Beginning	3,035,229	3,035,229	3,035,229	-
Fund Balances - Ending	\$ 3,196,670	\$ 3,198,213	\$ 3,056,144	\$ (142,069)

COUNTY OF GLENN

Required Supplementary Information
 Budgetary Comparison Schedule
 Road Fund
 For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses, permits, and franchises	\$ 20,500	\$ 20,500	\$ 20,003	\$ (497)
Revenues from uses of money and property	4,104	4,104	15,010	10,906
Aid from other governments	6,845,469	6,845,469	3,533,205	(3,312,264)
Charges for services	385,204	385,204	442,290	57,086
Other	5,000	5,000	13,782	8,782
Total Revenues	<u>7,260,277</u>	<u>7,260,277</u>	<u>4,024,290</u>	<u>(3,235,987)</u>
EXPENDITURES				
Current:				
Public ways and facilities	7,188,448	7,172,773	3,617,598	3,555,175
Capital Outlay	510,500	510,500	958,875	(448,375)
Total Expenditures	<u>7,698,948</u>	<u>7,683,273</u>	<u>4,576,473</u>	<u>3,106,800</u>
Deficiency of Revenues Over Expenditures	<u>(438,671)</u>	<u>(422,996)</u>	<u>(552,183)</u>	<u>(129,187)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,776,165	1,776,165	239,488	(1,536,677)
Transfers out	(1,536,134)	(1,550,812)	-	1,550,812
Total Other Financing Sources	<u>240,031</u>	<u>225,353</u>	<u>239,488</u>	<u>14,135</u>
Net Change in Fund Balances	<u>(198,640)</u>	<u>(197,643)</u>	<u>(312,695)</u>	<u>(115,052)</u>
Fund Balances - Beginning	<u>2,376,601</u>	<u>2,376,601</u>	<u>2,376,601</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,177,961</u>	<u>\$ 2,178,958</u>	<u>\$ 2,063,906</u>	<u>\$ (115,052)</u>

COUNTY OF GLENN

Required Supplementary Information
 Budgetary Comparison Schedule
 Mental Health Services Act Fund
 For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Revenues from uses of money and property	\$ -	\$ -	\$ 22,505	\$ 22,505
Aid from other governments	3,749,625	3,749,625	2,931,963	(817,662)
Total Revenues	<u>3,749,625</u>	<u>3,749,625</u>	<u>2,954,468</u>	<u>(795,157)</u>
EXPENDITURES				
Current:				
Health and sanitation	8,302	32,545	8,301	24,244
Excess of Revenues Over Expenditures	<u>3,741,323</u>	<u>3,717,080</u>	<u>2,946,167</u>	<u>(770,913)</u>
OTHER FINANCING USES				
Transfers out	(3,741,323)	(3,717,080)	(2,946,167)	770,913
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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Revenues from uses of money and property	\$ 1,000	\$ 1,000	\$ 6,769	\$ 5,769
Aid from other governments	6,717,931	6,770,064	7,978,075	1,208,011
Total Revenues	<u>6,718,931</u>	<u>6,771,064</u>	<u>7,984,844</u>	<u>1,213,780</u>
EXPENDITURES				
Current:				
Public protection	1,383,065	1,352,702	1,175,506	177,196
Capital Outlay	7,500	7,500	-	7,500
Total Expenditures	<u>1,390,565</u>	<u>1,360,202</u>	<u>1,175,506</u>	<u>184,696</u>
Excess of Revenues Over Expenditures	<u>5,328,366</u>	<u>5,410,862</u>	<u>6,809,338</u>	<u>1,398,476</u>
OTHER FINANCING USES				
Transfers out	(5,260,466)	(5,357,599)	(5,314,794)	42,805
Net Change in Fund Balances	67,900	53,263	1,494,544	1,441,281
Fund Balances - Beginning	<u>3,980,539</u>	<u>3,980,539</u>	<u>3,980,539</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,048,439</u>	<u>\$ 4,033,802</u>	<u>\$ 5,475,083</u>	<u>\$ 1,441,281</u>





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: Cal Boat Launching, Title III Forest Reserves, and the Advertising County Resources funds.

❖ Public Protection Funds

The Public Protection Funds group includes: Vital & Health Statistics, Water Resources Grant, CUPA/Underground Storage Tanks, PPWA Permit Center, Building Standard Fee, Vegetation & Environmental Management, Tri County Bee, CDBG Public Works 9760, and the Fish & Game Propagation funds.

❖ Public Ways & Facilities Funds

The Public Ways & Facilities Funds group includes: Planning & Public Works, County Services – Facilities Division and the County Services – Fleet Division funds.

❖ Health & Sanitation Funds

The Health & Sanitation Funds group includes: California Waste Management Grant, Mosquito Abatement Assessment Area, Emergency Preparedness Grant, Hospital Preparedness Grant, Health WIC Advance, Realignment – Health Trust and the Realignment – Mental Health funds.

❖ Public Assistance Funds

The Public Assistance Funds group includes: CalWORKs Incentive, IHSS Public Authority, Stuart/Walter Johnson Grant, Realignment – Welfare Admin and the Realignment – Social Services funds.

❖ 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: Air Pollution Control District (including Carl Moyer and the Air Pollution Vehicle Registration Programs), Artois Fire District, Bayliss Fire District, Hamilton Fire District, North Willows County Service Area, Storm Drain Maintenance #1, Storm Drain Maintenance #3, and the Willows Rural Fire District funds.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds group is used to account for financial resources to be used for the acquisition of land, or the 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, 2017

	Special Revenue Funds							Capital Projects Funds	Debt Service Fund	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 Funds			
ASSETS										
Cash and investments	\$ 351,214	\$ 642,356	\$ 144,744	\$ 937,172	\$ 1,034,790	\$ 637,363	\$ 1,705,598	\$ 603,560	\$ 59,970	\$ 6,116,767
Due from other funds	626	8,043	130,521	644	2,898	-	5,877	-	-	148,609
Accounts receivable	2,172	1,730	-	3,257	3,846	1,984	4,971	95	-	18,055
Due from other governments	-	-	-	139,303	397,935	-	31,706	-	-	568,944
Prepaid items	-	-	8,989	-	3,980	-	123	-	-	13,092
Inventory	-	3,519	-	-	-	-	-	-	-	3,519
Advances to other funds	-	-	-	750,000	-	-	-	-	-	750,000
Total Assets	\$ 354,012	\$ 655,648	\$ 284,254	\$ 1,830,376	\$ 1,443,449	\$ 639,347	\$ 1,748,275	\$ 603,655	\$ 59,970	\$ 7,618,986
LIABILITIES										
Due to other funds	\$ 264	\$ 617	\$ 183,210	\$ 163,430	\$ 441,418	\$ -	\$ 2,759	\$ -	\$ -	\$ 791,698
Accounts payable	13,157	14,091	958	711	26,870	-	31,691	-	-	87,478
Accrued salaries and benefits	-	289	59,163	-	-	-	18,616	-	-	78,048
Deposits payable	-	908	-	-	-	-	-	-	-	908
Unearned revenue	-	-	-	8,011	-	-	-	-	-	8,011
Total Liabilities	13,421	15,885	243,331	172,152	468,288	-	53,066	-	-	966,143
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	-	-	-	-	87,212	-	-	-	-	87,212
FUND BALANCES										
Nonspendable	-	3,519	8,989	-	3,980	-	123	-	-	16,611
Restricted	340,591	636,244	31,934	1,658,224	883,969	639,347	1,695,086	603,655	59,970	6,549,020
Total Fund Balances	340,591	639,763	40,923	1,658,224	887,949	639,347	1,695,209	603,655	59,970	6,565,631
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 354,012	\$ 655,648	\$ 284,254	\$ 1,830,376	\$ 1,443,449	\$ 639,347	\$ 1,748,275	\$ 603,655	\$ 59,970	\$ 7,618,986

COUNTY OF GLENN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Fiscal Year Ended June 30, 2017

	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 Funds	Capital Projects Funds		Debt Service Fund
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,563	\$ 159,326	\$ -	\$ -	\$ 345,889
Licenses, permits, and franchises	25,168	187,932	-	-	-	-	146,878	-	-	359,978
Fines, forfeitures, and penalties	435	37,483	-	-	-	-	4,020	-	-	41,938
Revenues from uses of money and property	2,029	3,248	-	848	7,222	3,563	9,106	173	-	26,189
Aid from other governments	2,000	81,439	-	1,236,992	3,717,493	1,911	622,548	-	-	5,662,383
Charges for services	-	184,533	884,890	208,466	5,596	-	537,981	-	-	1,821,466
Other	-	1,173	1,247,995	-	-	-	1,619	-	-	1,250,787
Total Revenues	29,632	495,808	2,132,885	1,446,306	3,730,311	192,037	1,481,478	173	-	9,508,630
EXPENDITURES										
Current:										
General government	33,956	-	-	-	-	-	-	-	-	33,956
Public protection	-	445,567	-	-	-	-	1,517,007	-	-	1,962,574
Public ways and facilities	-	-	2,116,879	-	-	-	-	-	-	2,116,879
Health and sanitation	-	-	-	1,290,282	-	-	-	-	-	1,290,282
Public assistance	-	-	-	-	3,355,797	-	-	-	-	3,355,797
Capital Outlay	-	-	15,240	-	-	-	15,541	-	-	30,781
Debt Service:										
Principal	-	-	-	-	-	-	60,543	-	184,345	244,888
Interest and other charges	-	-	-	-	-	-	2,910	-	109,719	112,629
Total Expenditures	33,956	445,567	2,132,119	1,290,282	3,355,797	-	1,596,001	-	294,064	9,147,786
Excess (Deficiency) of Revenues Over Expenditures	(4,324)	50,241	766	156,024	374,514	192,037	(114,523)	173	(294,064)	360,844
OTHER FINANCING SOURCES (USES)										
Transfers in	8,500	-	-	-	-	-	5,500	-	294,064	308,064
Transfers out	-	(24,000)	-	(71,879)	(187,329)	(143,691)	(1,564)	-	-	(428,463)
Total Other Financing Sources (Uses)	8,500	(24,000)	-	(71,879)	(187,329)	(143,691)	3,936	-	294,064	(120,399)
Net Change in Fund Balances	4,176	26,241	766	84,145	187,185	48,346	(110,587)	173	-	240,445
Fund Balances - Beginning	336,415	613,522	40,157	1,574,079	700,764	591,001	1,805,796	603,482	59,970	6,325,186
Fund Balances - Ending	\$ 340,591	\$ 639,763	\$ 40,923	\$ 1,658,224	\$ 887,949	\$ 639,347	\$ 1,695,209	\$ 603,655	\$ 59,970	\$ 6,565,631

COUNTY OF GLENN

Budgetary Comparison Schedule
Special Revenue Funds
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 340,410	\$ 340,410	\$ 345,889	\$ 5,479
Licenses, permits, and franchises	405,894	405,894	359,978	(45,916)
Fines, forfeitures, and penalties	10,350	10,350	41,938	31,588
Revenues from uses of money and property	3,613	3,613	26,016	22,403
Aid from other governments	6,367,328	7,250,214	5,662,383	(1,587,831)
Charges for services	2,750,142	2,750,142	1,821,466	(928,676)
Other	1,360,111	1,360,111	1,250,787	(109,324)
Total Revenues	11,237,848	12,120,734	9,508,457	(2,612,277)
EXPENDITURES				
Current:				
General government	73,375	73,375	33,956	39,419
Public protection	2,724,752	2,740,026	1,962,574	777,452
Public ways and facilities	2,778,504	3,532,341	2,116,879	1,415,462
Health and sanitation	1,284,092	1,315,302	1,290,282	25,020
Public assistance	4,280,336	4,089,336	3,355,797	733,539
Capital Outlay	25,000	120,611	30,781	89,830
Debt Service:				
Principal	61,417	61,417	60,543	874
Interest and other charges	5,907	5,907	2,910	2,997
Total Expenditures	11,233,383	11,938,315	8,853,722	3,084,593
Excess of Revenues Over Expenditures	4,465	182,419	654,735	472,316
OTHER FINANCING SOURCES (USES)				
Transfers in	141,900	147,400	14,000	(133,400)
Transfers out	(434,822)	(652,322)	(428,463)	223,859
Total Other Financing Uses	(292,922)	(504,922)	(414,463)	90,459
Net Change in Fund Balances	(288,457)	(322,503)	240,272	562,775
Fund Balances - Beginning	5,661,734	5,661,734	5,661,734	-
Fund Balances - Ending	\$ 5,373,277	\$ 5,339,231	\$ 5,902,006	\$ 562,775

COUNTY OF GLENN

Budgetary Comparison Schedule
 Capital Projects Funds
 For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Revenues from uses of money and property	\$ 28	\$ 28	\$ 173	\$ 145
OTHER FINANCING USES				
Transfers out	(322,450)	(322,450)	-	322,450
Net Change in Fund Balances	(322,422)	(322,422)	173	322,595
Fund Balances - Beginning	603,482	603,482	603,482	-
Fund Balances - Ending	\$ 281,060	\$ 281,060	\$ 603,655	\$ 322,595

COUNTY OF GLENN

Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Debt Service:				
Principal	\$ 184,342	\$ 184,342	\$ 184,345	\$ (3)
Interest and other charges	114,524	114,524	109,719	4,805
Total Expenditures	<u>298,866</u>	<u>298,866</u>	<u>294,064</u>	<u>4,802</u>
Deficiency of Revenues Over Expenditures	<u>(298,866)</u>	<u>(298,866)</u>	<u>(294,064)</u>	<u>4,802</u>
OTHER FINANCING SOURCES				
Transfers in	<u>348,786</u>	<u>348,786</u>	<u>294,064</u>	<u>(54,722)</u>
Net Change in Fund Balances	49,920	49,920	-	(49,920)
Fund Balances - Beginning	<u>59,970</u>	<u>59,970</u>	<u>59,970</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 109,890</u>	<u>\$ 109,890</u>	<u>\$ 59,970</u>	<u>\$ (49,920)</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, 2017

	<u>Fleet & Service Center</u>	<u>County Facilities</u>	<u>County Services</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 1,562,659	\$ 295,856	\$ 28,276	\$ 1,886,791
Due from other funds	1,752	45,751	27,394	74,897
Accounts receivable	49,790	9,891	131	59,812
Prepaid expenses	80	260	43,909	44,249
Inventory	24,778	-	-	24,778
Total Current Assets	<u>1,639,059</u>	<u>351,758</u>	<u>99,710</u>	<u>2,090,527</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	-	7,536	-	7,536
Depreciable, net	1,258,417	-	124,792	1,383,209
Total Assets	<u>2,897,476</u>	<u>359,294</u>	<u>224,502</u>	<u>3,481,272</u>
LIABILITIES				
Current Liabilities:				
Due to other funds	16,927	52,441	-	69,368
Accounts payable	4,055	4,406	28,351	36,812
Unearned revenue	-	-	43,909	43,909
Advance from other funds	-	-	27,450	27,450
Total Current Liabilities	<u>20,982</u>	<u>56,847</u>	<u>99,710</u>	<u>177,539</u>
NET POSITION				
Net investment in capital assets	1,258,417	7,536	124,792	1,390,745
Unrestricted	1,618,077	294,911	-	1,912,988
Total Net Position	<u>\$ 2,876,494</u>	<u>\$ 302,447</u>	<u>\$ 124,792</u>	<u>\$ 3,303,733</u>

COUNTY OF GLENN

Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2017

	<u>Fleet & Service Center</u>	<u>County Facilities</u>	<u>County Services</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 818,968	\$ 792,066	\$ 842,468	\$ 2,453,502
Rental income	3,000	-	-	3,000
Other	3,019	-	-	3,019
Total Operating Revenues	<u>824,987</u>	<u>792,066</u>	<u>842,468</u>	<u>2,459,521</u>
OPERATING EXPENSES				
Services and supplies	519,833	1,081,129	832,727	2,433,689
Depreciation	9,167	-	36,375	45,542
Total Operating Expenses	<u>529,000</u>	<u>1,081,129</u>	<u>869,102</u>	<u>2,479,231</u>
Operating Income (Loss)	<u>295,987</u>	<u>(289,063)</u>	<u>(26,634)</u>	<u>(19,710)</u>
NON-OPERATING REVENUES				
Investment income	9,619	1,089	-	10,708
Gain on sale of capital assets	464	-	-	464
Total Non-Operating Revenue	<u>10,083</u>	<u>1,089</u>	<u>-</u>	<u>11,172</u>
Income (Loss) Before Transfers	306,070	(287,974)	(26,634)	(8,538)
Transfers in	-	355,907	3,297	359,204
Change in Net Position	306,070	67,933	(23,337)	350,666
Total Net Position - Beginning	<u>2,570,424</u>	<u>234,514</u>	<u>148,129</u>	<u>2,953,067</u>
Total Net Position - Ending	<u>\$ 2,876,494</u>	<u>\$ 302,447</u>	<u>\$ 124,792</u>	<u>\$ 3,303,733</u>

COUNTY OF GLENN

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2017

	<u>Fleet & Service Center</u>	<u>County Facilities</u>	<u>County Services</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Charges for services	\$ 818,077	\$ 798,082	\$ 875,230	\$ 2,491,389
Payments to suppliers	(527,655)	(1,090,471)	(843,578)	(2,461,704)
Net Cash Provided (Used) by Operating Activities	<u>290,422</u>	<u>(292,389)</u>	<u>31,652</u>	<u>29,685</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loan repayments received	1,310	28,305	28,299	57,914
Interfund loans received	16,924	52,441	27,450	96,815
Interfund loans made	(1,749)	(45,751)	(27,394)	(74,894)
Interfund loans repaid	(5,268)	(33,837)	(28,299)	(67,404)
Transfers in	-	355,907	3,297	359,204
Net Cash Provided by Noncapital Financing Activities	<u>11,217</u>	<u>357,065</u>	<u>3,353</u>	<u>371,635</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(227,398)	(7,536)	(13,341)	(248,275)
Proceeds from sale of capital assets	464	-	-	464
Net Cash Used by Capital and Related Financing Activities	<u>(226,934)</u>	<u>(7,536)</u>	<u>(13,341)</u>	<u>(247,811)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	9,619	1,089	-	10,708
Net Increase in Cash and Cash Equivalents	84,324	58,229	21,664	164,217
Cash and Cash Equivalents - Beginning	1,478,335	237,627	6,612	1,722,574
Cash and Cash Equivalents - Ending	<u>\$ 1,562,659</u>	<u>\$ 295,856</u>	<u>\$ 28,276</u>	<u>\$ 1,886,791</u>

COUNTY OF GLENN

Reconciliation of the Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2017

	<u>Fleet & Service Center</u>	<u>County Facilities</u>	<u>County Services</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 295,987	\$ (289,063)	\$ (26,634)	\$ (19,710)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	9,167	-	36,375	45,542
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(6,910)	6,016	(131)	(1,025)
Prepaid expenses	(80)	(260)	(32,893)	(33,233)
Inventory	(2,556)	-	-	(2,556)
(Increase) decrease in:				
Accounts payable	(5,186)	(9,082)	22,042	7,774
Unearned revenue	-	-	32,893	32,893
Net Cash Provided (Used) by Operating Activities	<u>\$ 290,422</u>	<u>\$ (292,389)</u>	<u>\$ 31,652</u>	<u>\$ 29,685</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, 2017

	<u>Other Agency Funds</u>	<u>Unapportioned Taxes Fund</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 4,959,089	\$ 2,035,457	\$ 6,994,546
Due from other funds	14,302	-	14,302
Interest receivable	171,712	23,838	195,550
Property taxes receivable	-	1,782,629	1,782,629
Total Assets	<u>\$ 5,145,103</u>	<u>\$ 3,841,924</u>	<u>\$ 8,987,027</u>
LIABILITIES			
Due to other funds	\$ 337,291	\$ 8,430	\$ 345,721
Advances from other funds	3,501	-	3,501
Agency obligations	4,804,311	3,833,494	8,637,805
Total Liabilities	<u>\$ 5,145,103</u>	<u>\$ 3,841,924</u>	<u>\$ 8,987,027</u>

COUNTY OF GLENN

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
OTHER AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 5,598,818	\$ -	\$ 639,729	\$ 4,959,089
Due from other funds	370,886	-	356,584	14,302
Interest receivable	99,568	72,144	-	171,712
Total Assets	<u>6,069,272</u>	<u>72,144</u>	<u>996,313</u>	<u>5,145,103</u>
LIABILITIES				
Due to other funds	690,569	-	353,278	337,291
Advances from other funds	3,501	-	-	3,501
Agency obligations	5,375,202	-	570,891	4,804,311
Total Liabilities	<u>6,069,272</u>	<u>-</u>	<u>924,169</u>	<u>5,145,103</u>
UNAPPORTIONED TAXES FUND				
ASSETS				
Cash and investments	1,552,274	483,183	-	2,035,457
Due from other funds	1,653	-	1,653	-
Interest receivable	12,600	11,238	-	23,838
Property taxes receivable	1,933,889	-	151,260	1,782,629
Total Assets	<u>3,500,416</u>	<u>494,421</u>	<u>152,913</u>	<u>3,841,924</u>
LIABILITIES				
Due to other funds	49,453	-	41,023	8,430
Agency obligations	3,450,963	382,531	-	3,833,494
Total Liabilities	<u>3,500,416</u>	<u>382,531</u>	<u>41,023</u>	<u>3,841,924</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 7,151,092	\$ 483,183	\$ 639,729	\$ 6,994,546
Due from other funds	372,539	-	358,237	14,302
Interest receivable	112,168	83,382	-	195,550
Property taxes receivable	1,933,889	-	151,260	1,782,629
Total Assets	<u>\$ 9,569,688</u>	<u>\$ 566,565</u>	<u>\$ 1,149,226</u>	<u>\$ 8,987,027</u>
LIABILITIES				
Due to other funds	\$ 740,022	\$ -	\$ 394,301	\$ 345,721
Advances from other funds	3,501	-	-	3,501
Agency obligations	8,826,165	382,531	570,891	8,637,805
Total Liabilities	<u>\$ 9,569,688</u>	<u>\$ 382,531</u>	<u>\$ 965,192</u>	<u>\$ 8,987,027</u>



STATISTICAL SECTION



COUNTY OF GLENN

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)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 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	\$ 36,336,231
Restricted	5,072,172	5,000,252	6,809,720	-	11,901,193	13,909,650	16,373,832	15,587,546	21,282,910	19,975,658
Unrestricted	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)	(65,896,660)
Total governmental net position	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)	(9,584,771)
Business-type activities										
Net investment in capital assets	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	2,546,232
Unrestricted	(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)	(4,917,225)
Total business net position	(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)	(2,370,993)
Primary government										
Net investment in capital assets	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	38,874,927
Restricted	5,072,172	5,000,252	6,809,720	-	11,901,193	13,909,650	16,373,832	15,587,546	21,282,910	19,975,658
Unrestricted	5,020,487	1,986,818	(3,211,114)	(708,152)	(12,066,307)	(13,179,058)	(16,255,117)	(62,065,322)	(67,606,590)	(70,806,349)
Total primary government net position	\$ 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)	\$ (11,955,764)

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 2015 the County implemented GASB 68, recognizing pension liability by adjusting unrestricted net position.

Source: County of Glenn Department of Finance

COUNTY OF GLENN

**Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$ 8,318,471	\$ 8,167,686	\$ 7,506,910	\$ 7,262,290	\$ 6,518,028	\$ 4,239,562	\$ 6,963,916	\$ 6,309,888	\$ 6,549,464	\$ 10,560,435
Public protection	19,744,449	20,326,745	19,120,888	21,329,040	21,722,044	22,368,454	22,380,161	22,234,343	18,852,815	21,699,524
Public ways & facilities	3,562,569	4,632,494	4,440,998	5,238,295	5,929,146	4,312,262	3,317,352	7,483,035	8,139,741	6,302,755
Health & sanitation	13,433,831	13,652,656	13,016,928	14,735,415	13,865,670	13,870,132	13,354,684	10,366,544	14,787,266	16,448,632
Public assistance	21,849,282	24,769,097	22,208,718	31,168,438	26,670,870	26,029,577	26,140,090	20,272,064	22,887,338	24,088,255
Education	388,084	410,711	395,772	453,880	447,138	434,324	441,421	395,045	367,406	405,103
Interest on long-term debt	394,460	278,806	251,541	240,706	82,550	484,130	173,190	176,437	119,119	126,763
Total governmental activities	67,691,146	72,238,195	66,941,755	80,428,064	75,235,446	71,738,441	72,770,814	67,237,356	71,703,149	79,631,467
Business-type activities:										
Solid waste	3,434,743	1,853,899	3,966,895	1,784,707	4,783,591	1,895,780	1,169,509	1,774,887	1,336,645	1,249,564
Solid waste closure	-	-	-	-	-	2,078,423	2,078,423	651,868	890,347	203,542
Airport	663,890	793,817	639,798	444,609	722,517	592,841	520,123	632,618	553,148	549,498
Hospital	36,382	-	-	-	-	-	-	-	-	-
Total business-type activities	4,135,015	2,647,716	4,606,693	2,229,316	5,506,108	4,567,044	3,768,055	3,059,373	2,780,140	2,002,604
Total primary government	71,826,161	74,885,911	71,548,448	82,657,380	80,741,554	76,305,485	76,538,869	70,296,729	74,483,289	81,634,071
Program Revenues										
Governmental Activities:										
Charges for services										
General government	2,361,479	2,302,085	3,205,675	5,675,858	4,404,325	1,014,586	3,096,408	2,860,524	3,885,548	4,234,841
Public protection	5,095,769	4,033,052	4,258,923	4,297,202	4,152,140	4,367,977	4,463,916	4,129,290	4,386,000	4,104,405
Public ways & facilities	-	-	343,840	408,614	742,265	663,223	1,119,189	387,608	1,555,905	1,430,508
Health & sanitation	-	-	1,099,535	958,668	1,007,050	1,055,228	1,360,420	418,007	2,461,588	3,215,662
Public assistance	-	-	144,114	4,341,468	4,310,195	4,076,575	3,263,988	94,367	24,481	45,517
Education	-	-	4,905	3,893	826	4,538	4,620	1,568	812	850
Other activities	604,960	1,261,174	-	-	-	-	-	-	-	-
Operating Grants and contributions	44,784,626	46,613,141	43,944,014	47,158,777	51,367,279	42,947,868	43,324,505	40,494,839	47,359,955	47,296,971
Capital grants and contributions	788,490	244,000	788,490	-	-	3,394,062	4,866,198	5,570,726	23,160	625,634
Total governmental activities	53,635,324	54,453,452	53,769,496	62,844,480	66,408,197	57,524,057	61,499,244	53,956,929	59,697,449	60,956,388
Business-type activities:										
Charges for services:										
Solid waste	1,259,297	1,268,821	2,134,791	2,210,492	2,407,218	1,986,051	2,046,750	2,058,399	2,170,442	2,150,354
Airport	623,719	678,852	632,966	438,204	558,761	526,191	322,407	292,132	596,250	576,338
Operating grants and contributions	53,000	75,639	30,000	67,000	77,472	261,051	55,000	194,911	43,225	64,729
Capital grants and contributions	299,205	7,074	-	-	-	7,886	-	-	-	650,524
Total business-type activities	2,235,221	2,030,386	2,797,757	2,715,696	3,043,451	2,781,179	2,424,157	2,545,442	2,809,917	3,441,945
Total primary government program	55,870,545	56,483,838	56,587,253	65,560,176	69,451,648	60,305,236	63,923,401	56,502,371	62,507,366	64,398,333
Net Expense										
Governmental	(14,055,822)	(17,784,743)	(13,152,259)	(17,583,584)	(8,827,249)	(14,214,384)	(11,271,570)	(13,280,427)	(12,005,700)	(18,675,079)
Business-type	(1,899,794)	(617,330)	(1,808,936)	486,380	(2,462,657)	(1,785,865)	(1,343,898)	(513,931)	29,777	1,439,341
Total primary government	(15,955,616)	(18,402,073)	(14,961,195)	(17,097,204)	(11,289,906)	(16,000,249)	(12,615,468)	(13,794,358)	(11,975,923)	(17,235,738)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes	5,588,047	5,721,194	5,647,492	5,540,388	5,516,279	5,691,883	5,901,621	6,088,381	6,544,159	6,729,998
Sales and use taxes	1,203,372	1,058,034	749,074	928,129	1,114,225	691,604	1,156,215	1,013,477	1,061,082	1,006,059
Real property transfer taxes	111,129	69,906	217,018	98,460	86,813	123,546	223,015	128,819	147,574	130,310
Other taxes	25,160	25,159	22,643	261,153	20,894	23,080	18,999	6,555	16,492	21,557
Franchise fees	-	-	-	-	559,112	540,985	584,269	624,752	646,373	657,043
Grants and contributions - unrestricted	-	-	-	-	3,223,024	3,229,320	3,334,410	3,421,057	3,640,683	3,779,120
Interest and investment earnings	812,040	438,810	169,178	176,493	6,700	83,779	103,905	51,758	138,727	143,702
Miscellaneous	6,289,040	6,078,234	4,144,922	5,475,339	2,753,230	3,335,096	1,663,609	4,203,045	471,523	431,459
Transfers	-	-	-	-	-	(29,797)	-	5,000	53,871	25,712
Total governmental activities general revenues	14,028,788	13,391,337	10,950,327	12,479,962	13,280,277	13,689,496	12,986,043	15,542,844	12,720,484	12,924,960
Business-type activities:										
Franchise fees	-	-	-	-	-	-	-	-	210,370	215,405
Interest and investment earnings	189,742	73,676	29,002	21,957	19,245	12,351	314,150	343,481	21,542	55,533
Miscellaneous	-	(38,532)	-	-	189,121	202,131	190,540	208,986	3,719	2,603
Transfers	-	-	-	-	-	29,797	-	(5,000)	(53,871)	(25,712)
Total business-type activities general revenues	189,742	35,144	29,002	21,957	208,366	244,279	504,690	547,467	181,780	247,829
Total primary government general revenues	14,218,530	13,426,481	10,979,329	12,501,919	13,488,643	13,933,775	13,490,733	16,090,311	12,902,244	13,172,789
Changes in Net Position										
Governmental Activities	(27,034)	(4,393,406)	(2,201,932)	(5,103,622)	4,453,028	(524,888)	1,714,473	2,262,417	714,784	(5,750,119)
Business-type activities	(1,710,052)	(582,186)	(1,779,934)	508,337	(2,254,291)	(1,541,586)	(839,208)	33,536	211,537	1,687,170
Total primary government	\$ (1,737,086)	\$ (4,975,592)	\$ (3,981,866)	\$ (4,595,285)	\$ 2,198,737	\$ (2,066,474)	\$ 875,265	\$ 2,295,953	\$ 926,321	\$ (4,062,949)

Net (expense) revenue is the difference between the expenses and program revenues of a function or program. It indicates the extent to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that the expenses were greater than the program revenues needed to finance the function or program.

Source: Glenn County Department of Finance

COUNTY OF GLENN

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Nonspendable	\$ 366,166	\$ 1,284,922	\$ 999,953	\$ 439,127	\$ 1,563,917	\$ 1,352,088	\$ 1,361,476	\$ 1,715,408	\$ 376,489	\$ 421,697
Restricted	2,789,441	2,028,065	1,339,815	-	1,672,384	2,179,436	3,299,461	1,668,535	2,427,802	222,875
Committed	91,971	86,069	44,796	-	-	-	-	163,447	235,952	45,320
Assigned	-	-	-	176,271	-	-	-	15,247	15,247	-
Unassigned	2,104,653	1,363,945	148,932	1,974,123	201,991	1,753,708	2,014,119	2,221,994	685,403	2,009,297
Total general fund	5,352,231	4,763,001	2,533,496	2,589,521	3,438,292	5,285,232	6,675,056	5,784,631	3,740,893	2,699,189
Other Governmental Funds										
Nonspendable	2,202,082	2,240,266	2,246,685	511,634	467,510	225,192	354,582	89,448	152,811	163,461
Restricted	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	17,085,812
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	7,189,038	8,081,934	9,023,473	7,963,272	9,119,559	10,700,220	12,364,396	13,416,640	15,806,064	17,249,273
Total Governmental Funds										
Nonspendable	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	585,158
Restricted	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	17,308,687
Committed	309,085	216,961	44,796	-	-	-	-	163,447	235,952	45,320
Assigned	-	-	-	351,429	67,828	20,750	21,943	15,247	15,247	-
Unassigned	2,104,653	1,363,945	148,932	2,371,836	124,360	1,748,975	1,991,856	2,221,994	685,403	2,009,297
Total governmental funds	\$ 12,541,269	\$ 12,844,935	\$ 11,556,969	\$ 10,552,793	\$ 12,557,851	\$ 15,985,452	\$ 19,039,452	\$ 19,201,271	\$ 19,546,957	\$ 19,948,462

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

Source: Glenn County Department of Finance

COUNTY OF GLENN

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

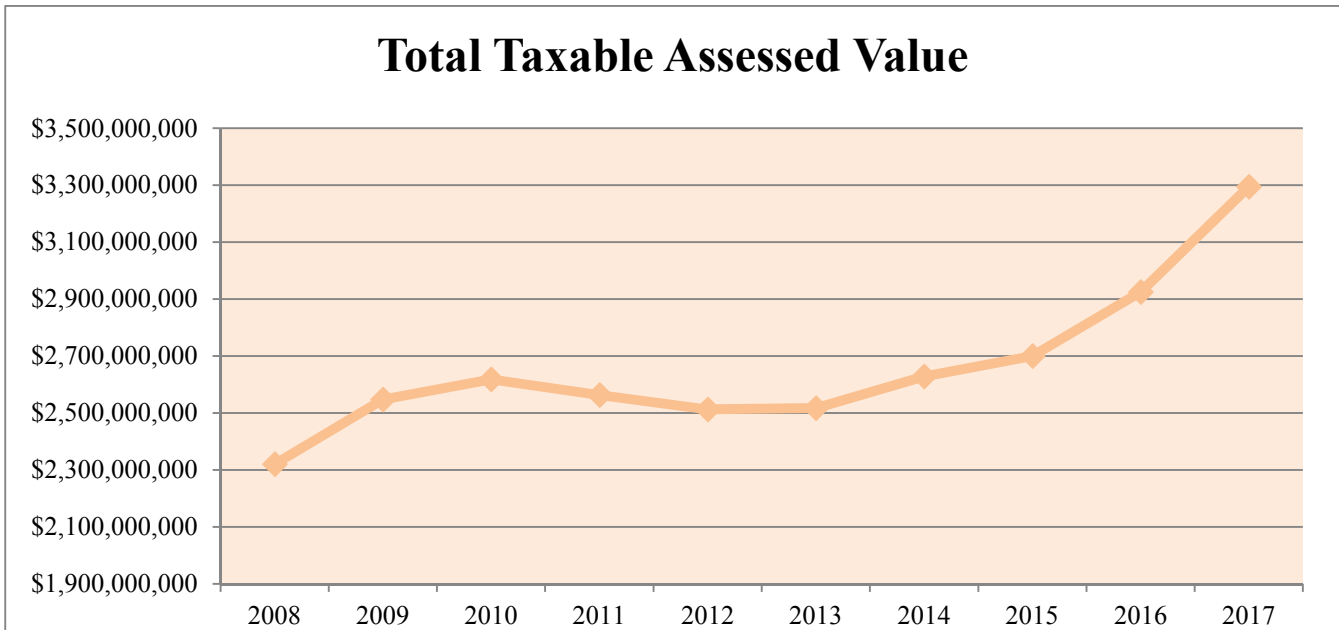
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 5,724,336	\$ 5,816,259	\$ 5,739,790	\$ 6,585,637	\$ 5,926,615	\$ 5,838,509	\$ 6,143,635	\$ 6,223,755	\$ 6,708,225	\$ 6,881,865
Licenses, permits, and franchises	1,298,983	1,284,799	1,276,883	1,220,836	1,193,307	1,146,542	1,230,934	1,360,277	1,608,056	1,510,288
Fines and forfeitures	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	1,182,538
Use of money and property	766,263	408,069	156,014	172,813	(2,282)	77,073	93,713	50,928	244,007	160,348
Aid from other governments	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	53,002,427
Charges for services	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	9,704,773
Other revenues	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	2,043,081
Total revenues	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	74,485,320
Expenditures										
General government	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	5,068,540
Public protection	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	21,407,800
Public ways and facilities	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	5,734,477
Health and sanitation	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	15,976,410
Public assistance	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	23,646,977
Education	407,464	409,447	386,402	384,613	386,511	379,516	377,951	391,797	375,375	394,900
Debt Service:										
Principal	366,945	389,796	183,325	189,077	189,450	212,195	108,856	161,437	311,519	244,888
Interest and other charges	391,281	274,059	247,607	273,185	128,179	482,962	172,568	86,987	119,109	126,762
Capital Outlay	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	1,149,569
Total expenditures	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	73,750,323
Excess (deficiency) of revenues over expenditures	(356,446)	(1,389,425)	(62,087)	(2,356,203)	1,974,635	2,361,915	3,011,663	544,830	(556,901)	734,997
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	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	9,930,899
Transfers out	(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)	(10,264,391)
Total other financing sources (uses)	-	608,187	-	395,900	224,183	335,210	42,337	(235,217)	371,882	(333,492)
Net change in fund balance	\$ (356,446)	\$ (781,238)	\$ (62,087)	\$ (1,960,303)	\$ 2,198,818	\$ 2,697,125	\$ 3,054,000	\$ 309,613	\$ (185,019)	\$ 401,505
Debt services as a percentage of non-capital expenditures	1.15%	0.97%	0.67%	0.61%	0.45%	1.02%	0.41%	0.41%	0.62%	0.51%

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
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%
2017	2,999,734,451	221,596,384	3,221,330,835	171,148,027	98,132,304	3,294,346,558	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

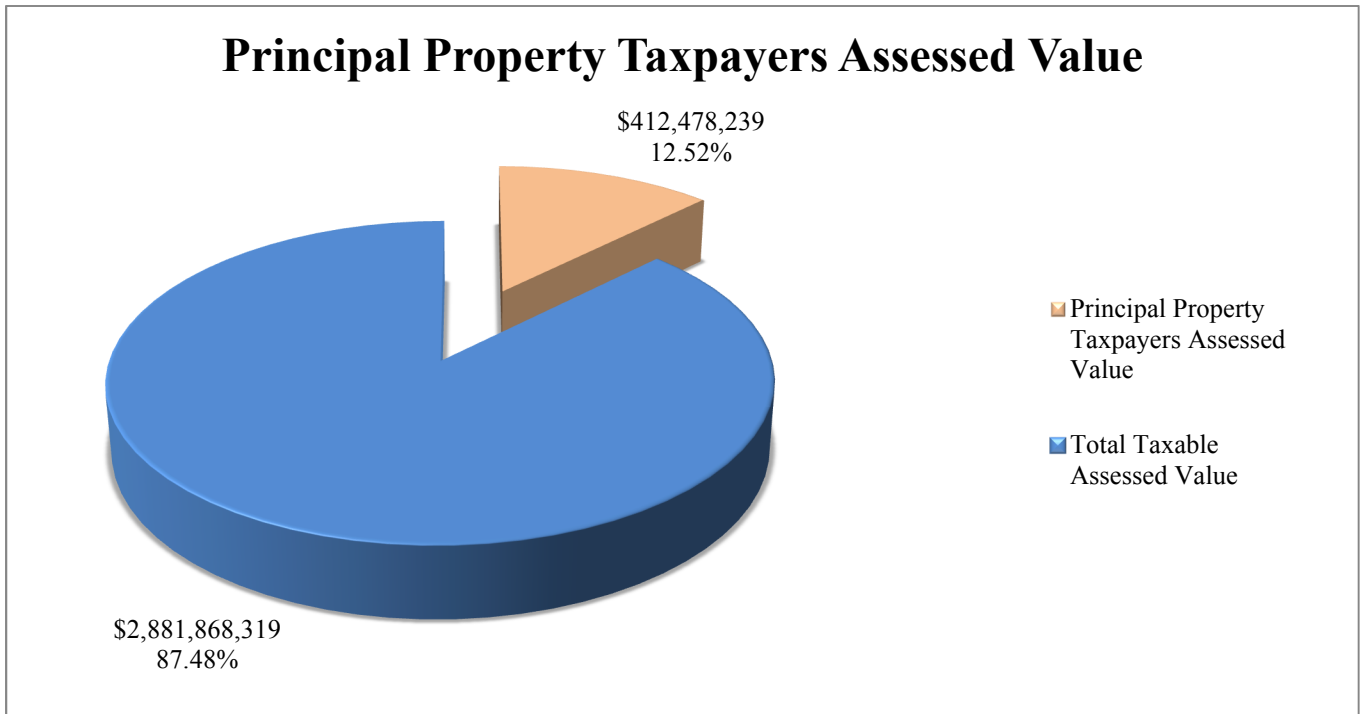
COUNTY OF GLENN

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Fiscal Year Ended June 30, 2017			Fiscal year Ended June 30, 2008		
	Assessed Value	Rank	Percentage of Taxable Assessed Value	Assessed Value	Rank	Percentage of Taxable Assessed Value
Pacific Gas & Electric Co.	\$ 125,947,834	1	3.82%	\$ 75,310,796	3	3.25%
Johns Manville Intl. Inc.	75,824,825	2	2.30%	78,240,716	2	3.37%
Big W Ranch Corp.	42,235,101	3	1.28%	17,336,771	5	0.75%
California Olive Ranch Inc.	35,323,250	4	1.07%			0.00%
JJB Farms LP	32,346,325	5	0.98%			0.00%
Violich Farms Inc.	24,373,613	6	0.74%	19,135,820	4	0.82%
Paul Violich Inc.	23,688,759	7	0.72%			0.00%
Land O Lakes Inc.	20,637,256	8	0.63%	9,545,667	10	0.41%
Omega Walnut LLC	16,622,459	9	0.50%			0.00%
Koehen C F & Sons Orchards	15,478,817	10	0.47%	11,325,609	8	0.49%
Venoco Inc.				97,171,715	1	4.19%
Willows Land Invest LLC				15,325,499	6	0.66%
Vintage Production CA LLC				13,984,617	7	0.60%
Nature Coservancy, The				10,722,166	9	0.46%
	<u>\$ 412,478,239</u>		<u>12.52%</u>	<u>\$ 348,099,376</u>		<u>15.00%</u>
Net Assessed Value of Taxable Property	<u>\$ 3,294,346,558</u>			<u>\$ 2,320,196,878</u>		

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

Source: County of Glenn Department of Finance



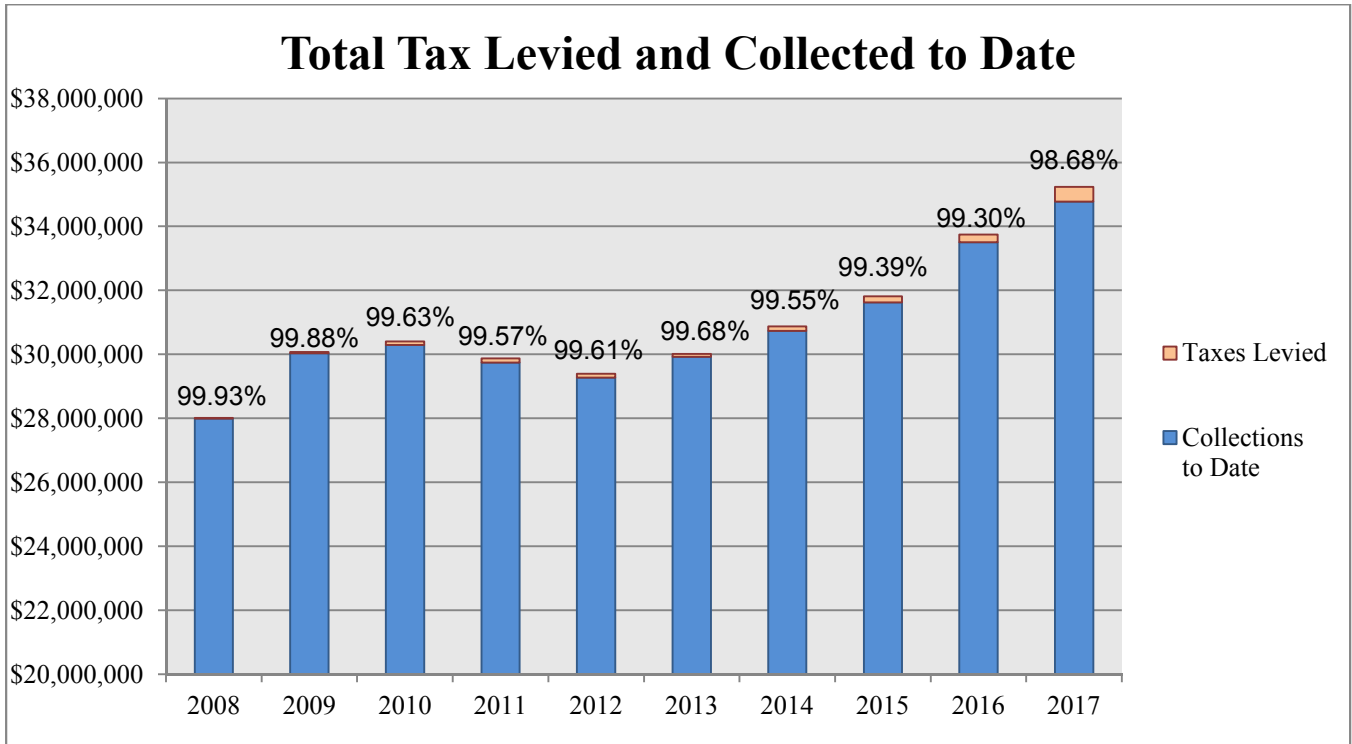
COUNTY OF GLENN

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
2008	28,016,678	26,784,865	95.60%	1,211,632	27,996,497	99.93%
2009	30,072,295	29,211,267	97.14%	825,903	30,037,170	99.88%
2010	30,401,258	29,528,685	97.13%	761,118	30,289,803	99.63%
2011	29,875,679	29,084,997	97.35%	661,519	29,746,516	99.57%
2012	29,389,848	28,670,690	97.55%	604,651	29,275,341	99.61%
2013	30,013,501	29,454,246	98.14%	463,509	29,917,755	99.68%
2014	30,871,137	30,229,374	97.92%	503,573	30,732,947	99.55%
2015	31,816,694	31,365,992	98.58%	257,840	31,623,832	99.39%
2016	33,741,327	33,312,554	98.73%	194,234	33,506,788	99.30%
2017	35,239,560	34,776,144	98.68%	-	34,776,144	98.68%

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

Source: County of Glenn Department of Finance

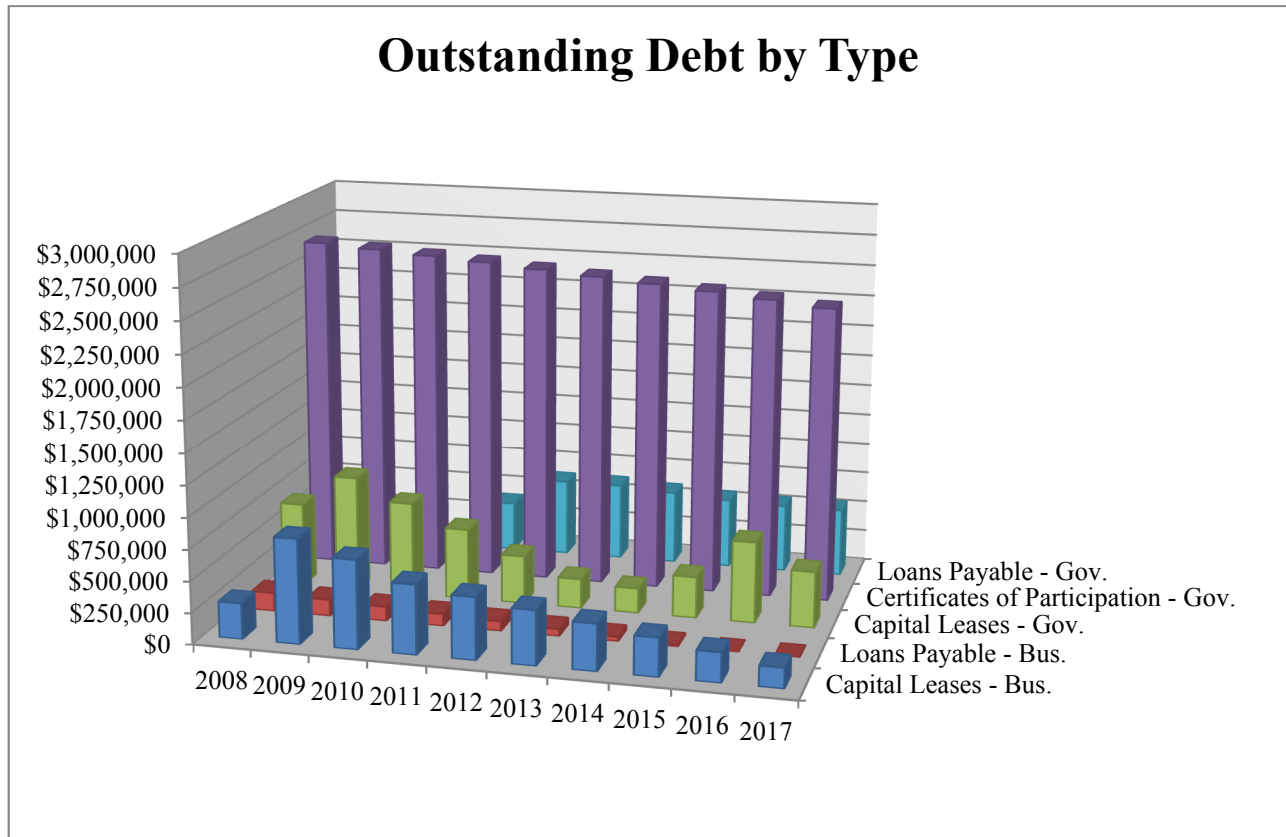


COUNTY OF GLENN

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	
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
2017	546,450	2,370,000	449,922	-	162,087	3,528,459

Source: County of Glenn Department of Finance



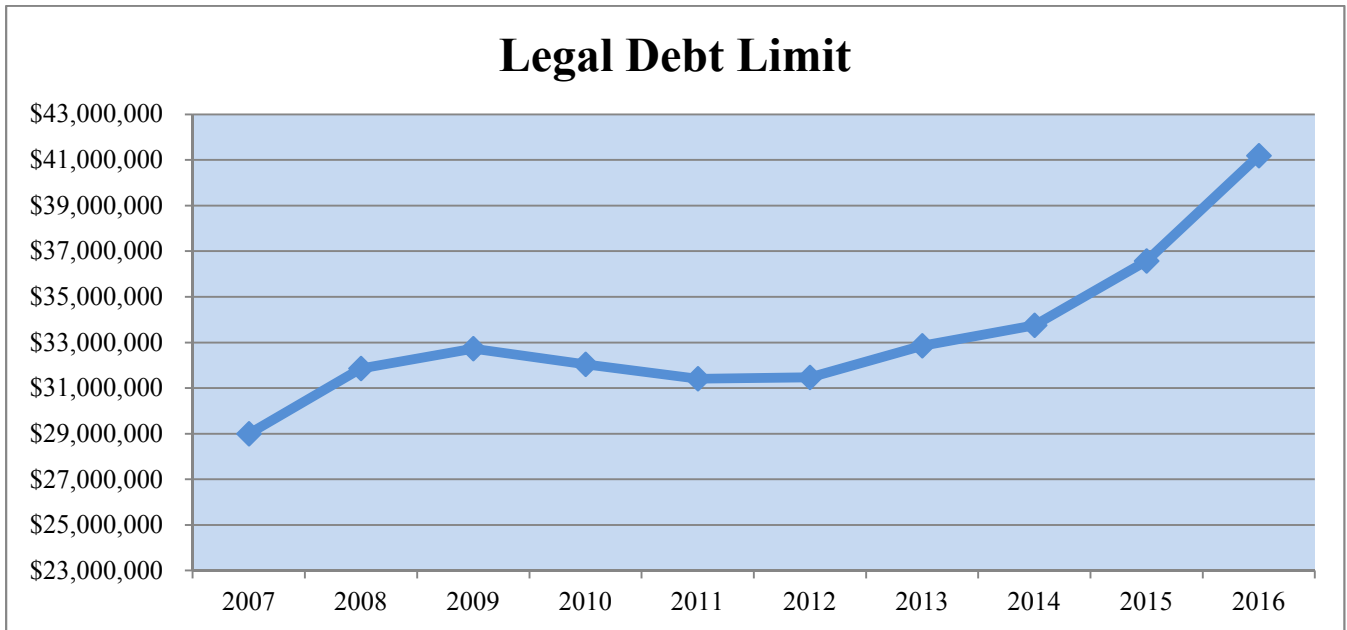
COUNTY OF GLENN

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
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%
2017	3,294,346,558	41,179,332	-	41,179,332	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
2008	27,775	834,370,000	30,040	5,934	9.2%
2009	28,019	903,857,000	32,259	5,790	12.4%
2010	28,100	918,489,000	32,686	5,672	15.1%
2011	28,101	955,296,000	33,995	5,664	16.4%
2012	28,173	1,069,060,000	37,946	5,600	15.1%
2013	27,957	1,087,544,000	38,901	5,515	13.6%
2014	27,940	1,106,571,000	39,605	5,544	11.2%
2015	27,955	1,070,048,000	38,278	5,669	10.1%
2016	28,017	1,103,167,000	39,375	5,629	8.9%
2017	28,085	1,174,503,000	41,820	5,626	7.7%

Sources:

Economic Data – U.S. Department of Commerce, Bureau of Economic Analysis

Education Data – California Department of Education

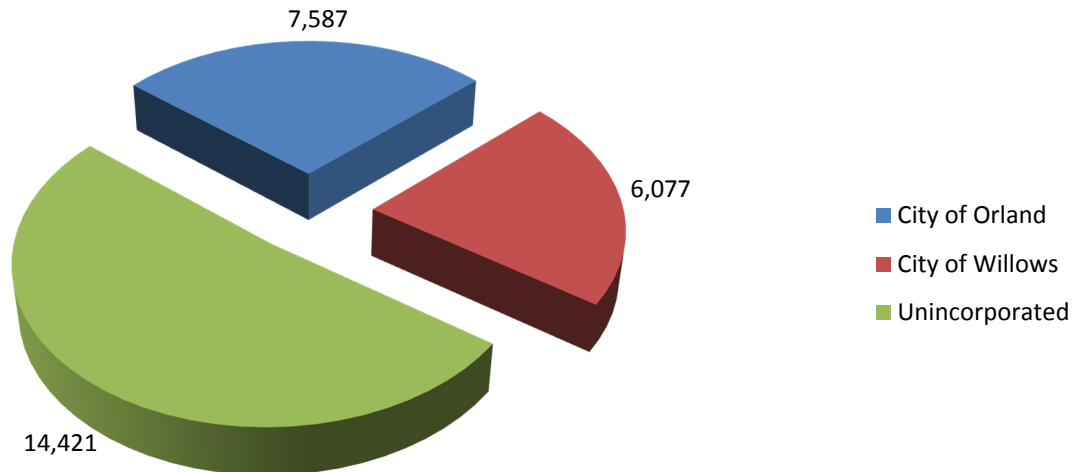
Unemployment Data – U.S. Bureau of Labor Statistics

Detail of estimated population

Incorporated Cities

City of Orland	7,587
City of Willows	6,077
Total of incorporated	13,664
Total of unincorporated	14,421
Total Population	28,085

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 through June 30
Incorporated Cities: Orland
Willows

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

Capital Assets:

Function / Program	As of June 30, 2017
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, 2017			Fiscal year Ended June 30, 2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
County of Glenn	448	1	4.10%	534	1	4.85%
Johns Manville	250-499	2	2.1%-4.19%	340	2	3.09%
Erick Nielsen Enterprises Incorporated	100-249	3-9	.84%-2.09%			
Glenn Family Medical Group	100-249	3-9	.84%-2.09%			
Glenn Medical Center	100-249	3-9	.84%-2.09%	74	7	0.67%
Jacinto Grange	100-249	3-9	.84%-2.09%			
Rumiano Cheese Factory	100-249	3-9	.84%-2.09%			
Sunsweet Dryers	100-249	3-9	.84%-2.09%			
Walmart	100-249	3-9	.84%-2.09%	200	3	1.82%
Glenn County Office of Education	50-99	10	.42%-.83%	81	5	0.74%
Sunbridge Healthcare Corporation				99	4	0.90%
Glenn-Colusa Irrigation District				75	6	0.68%
L & W Stone Corporation				70	8-9	0.64%
Mendocino National Forest District				70	8-9	0.64%
Bureau of Reclamation				60	10	0.55%
Total	1,448-2,789		12.50%-23.77%	1,603		14.58%

Source: California EDD and Glenn County Department of Finance

Function/ Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	61.5	59.5	60.5	54.5	43.5	42.5	43.0	46.0	46.0	46.0
Public Protection	168.8	160.6	153.5	145.0	144.5	142.8	153.7	155.3	140.8	129.8
Public Ways & Facilities	37.0	38.0	39.0	37.0	39.0	37.5	38.0	41.0	44.0	40.0
Health & Sanitation	110.8	101.8	103.5	87.5	85.5	87.0	90.0	111.0	124.0	120.0
Public Assistance	153.5	152.5	151.5	151.5	150.5	148.5	143.0	119.0	101.8	106.8
Education	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	6.0	5.0
Total full-time equivalent employees	533.6	514.3	510.0	477.5	465.0	460.3	469.7	474.3	462.6	447.6

Source: Glenn County Department of Finance