

COUNTY OF GLENN

State of California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018



Photo courtesy of Mackenzie Gomes

Prepared Under the Supervision of:

Edward J. Lamb

County Director of Finance



COUNTY OF GLENN

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INTRODUCTORY SECTION





County of Glenn

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

December 14, 2018

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, 2018, 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, 2018, 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 nonmajor 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 County is close to realizing the “One Stop Shop” business process review for licensing and permitting with the creation of the Planning and Community Development Services department this year
- ❖ Construction of a solid waste transfer station for the closure of the County’s solid waste landfill
- ❖ Investigation of the need to fill the CAO position and to restructure County departments and operations
- ❖ Going green with energy improvement projects including installing solar, efficient fixtures, and HVAC improvements throughout the county

FACTORS AFFECTING FINANCIAL CONDITION

Economic Challenges

The County continues to face economic challenges as wages and healthcare costs growth outpace the required revenues to support existing staffing levels. The board and the unions have come together to start limiting future healthcare costs for new employees hired after November 1, 2017. While results won’t be seen immediately, this step will significantly benefit the government in years to come.

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 2017-2018 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 as required by the California Constitution and 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 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, and minute orders 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, 2018, 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, 2018, 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.

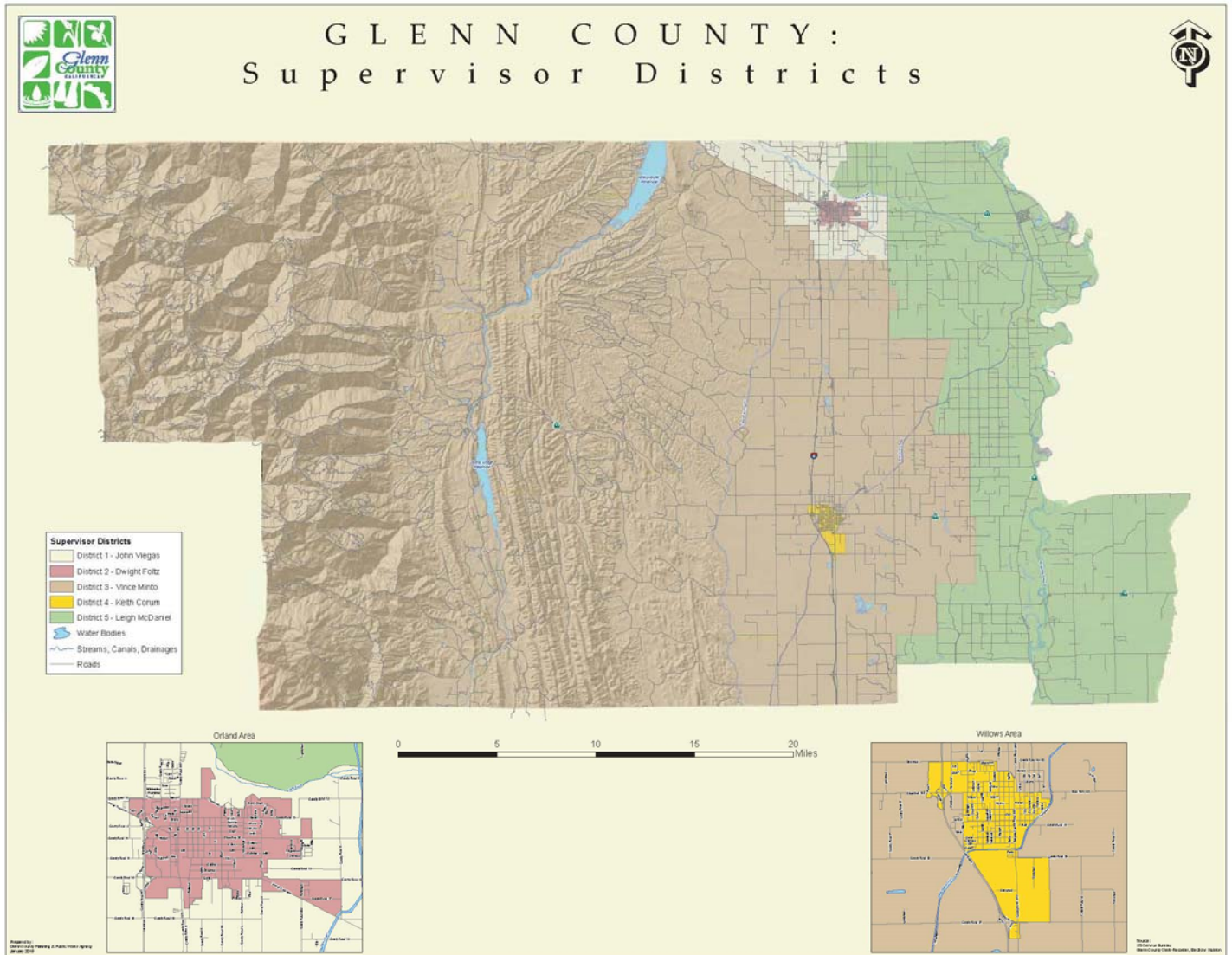
COUNTY OF GLENN

BOARD OF SUPERVISORS

December 14, 2018

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

*Chosen annually at the first meeting in January.



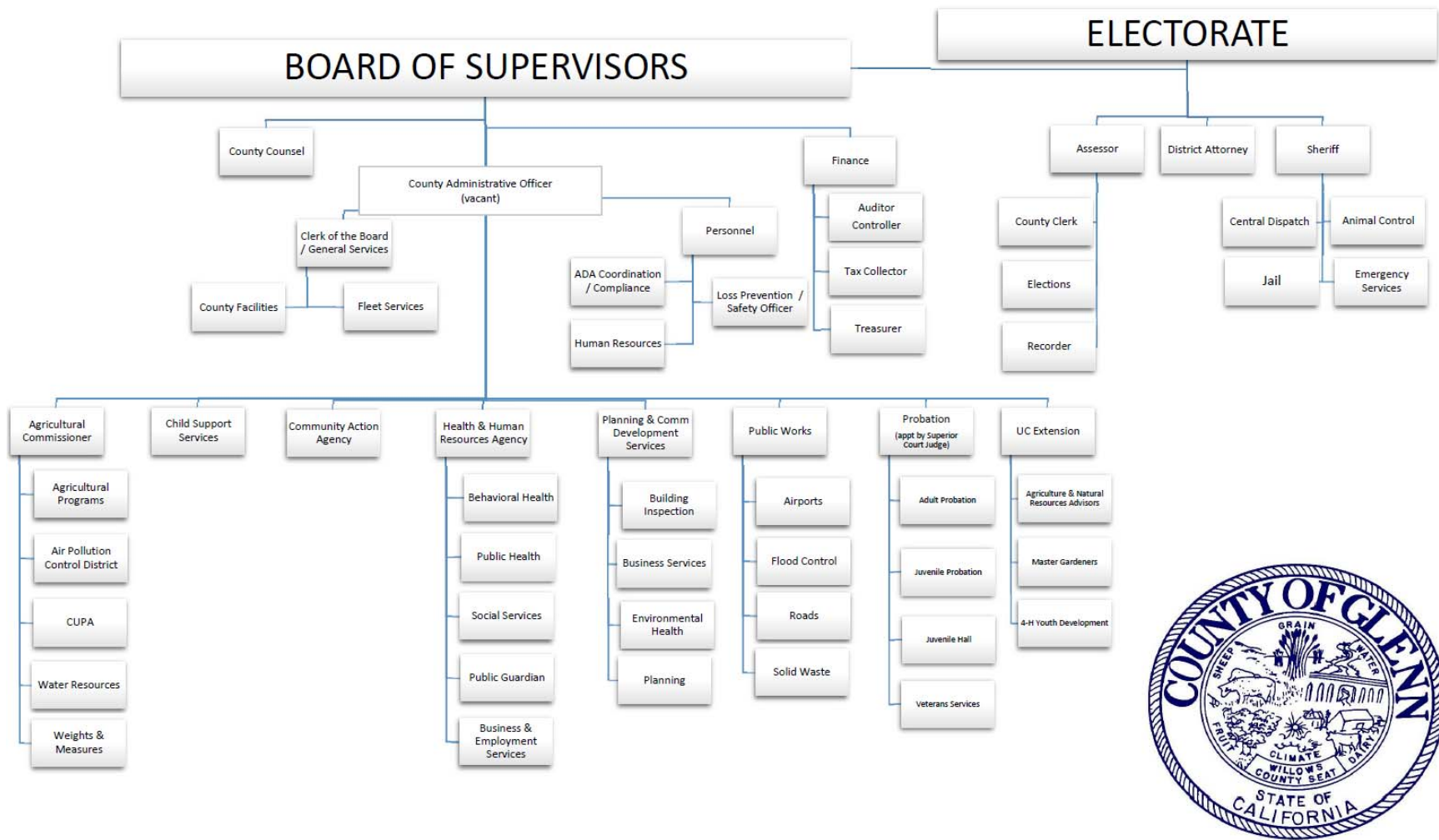
COUNTY OF GLENN
PRINCIPAL COUNTY OFFICIALS
December 14, 2018

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
Chief of Probation & Veteran’s Services Officer– Brandon Thompson
County Counsel – Alicia Ekland
Director of General Services & Clerk of the Board – Di Aulabaugh
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 & Community Development Services – Donald Rust
Director of Public Works – Mohammad Qureshi





FINANCIAL SECTION





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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, 2018, 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, 2018, 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.

Emphasis of Matter

Implementation of New Accounting Standards

As disclosed in Note 1 of the financial statements, the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during fiscal year 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net position liability and related ratios, schedule of pension contributions, schedule of changes in net other postemployment benefit liability and related ratios, schedule of other postemployment benefit contributions, 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

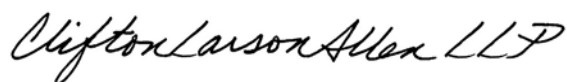
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Glenn's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented 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 14, 2018 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 14, 2018



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, 2018. It should be read in conjunction with the County’s financial statements following this section.

I. Financial Highlights

	2018	2017	\$ Change	% Change
Government-Wide Deficit	\$ (37,076,314)	\$ (11,955,764)	\$ (25,120,550)	(210.1%)
Governmental Fund Balance	\$ 27,907,027	\$ 19,948,462	\$ 7,958,565	39.9%
General Fund Fund Balance	\$ 4,111,556	\$ 2,699,189	\$ 1,412,367	52.3%
Government-Wide Revenues	\$ 89,865,303	\$ 77,571,122	\$ 12,294,181	15.8%
Government-Wide Expenses	\$ 85,539,063	\$ 81,634,071	\$ 3,904,992	4.8%
Long-Term Liabilities	\$ 143,065,013	\$ 100,164,963	\$ 42,900,050	42.8%

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 the 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), and 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 a 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 nonmajor 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 nonmajor special revenue funds, the capital projects fund, and the debt service fund.

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

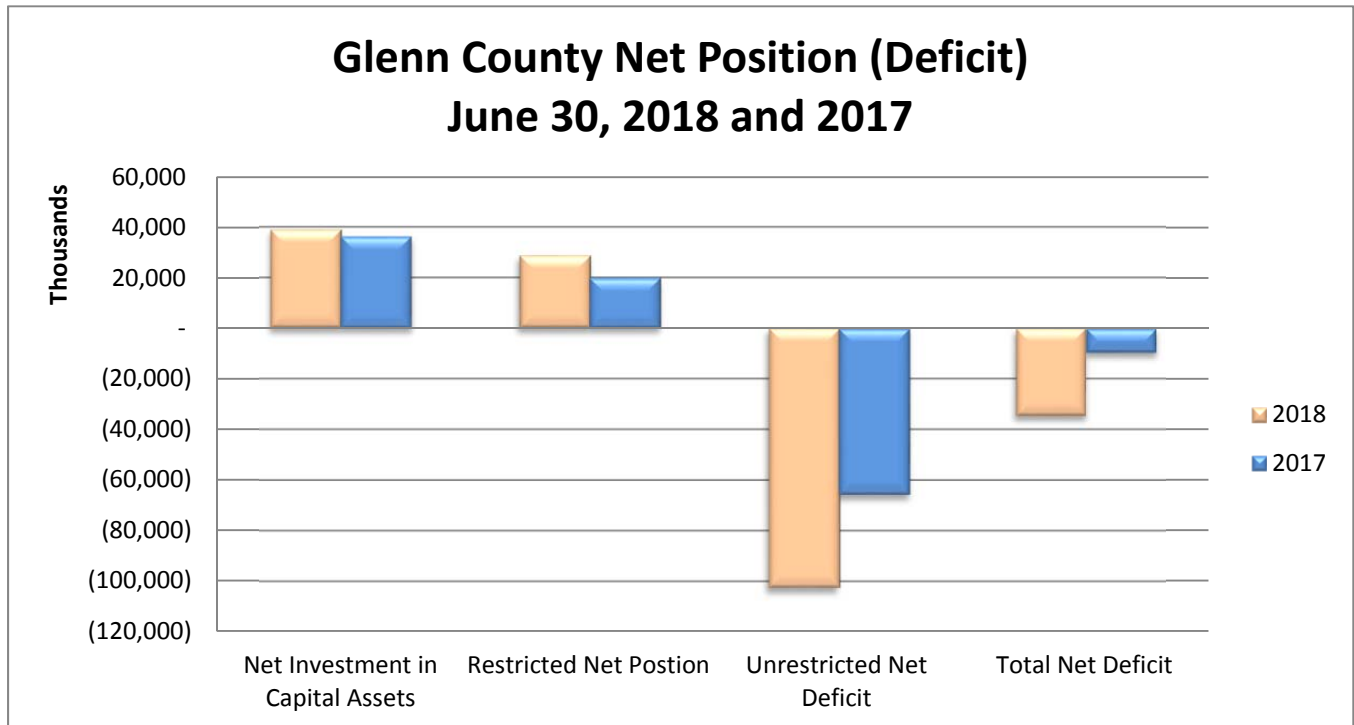
III. Government-Wide Overall Financial Analysis

	Governmental Activities		Business-Type Activities		Total		Total	
	2018	2017	2018	2017	2018	2017	\$ Change 2017 to 2018	% Change 2017 to 2018
Current and Other Assets	\$ 39,190,686	\$ 34,805,855	\$ 10,583,298	\$ 9,768,910	\$ 49,773,984	\$ 44,574,765	\$ 5,199,219	11.7%
Capital Assets	39,813,123	39,702,603	3,442,409	2,708,319	43,255,532	42,410,922	844,610	2.0%
Total Assets	79,003,809	74,508,458	14,025,707	12,477,229	93,029,516	86,985,687	6,043,829	6.9%
Total Deferred Outflows of Resources	18,795,337	12,488,322	229,497	111,844	19,024,834	12,600,166	6,424,668	51.0%
Current and Other Liabilities	5,278,540	9,948,724	192,197	71,893	5,470,737	10,020,617	(4,549,880)	(45.4%)
Long-Term Liabilities	126,720,296	85,288,305	16,344,717	14,876,658	143,065,013	100,164,963	42,900,050	42.8%
Total Liabilities	131,998,836	95,237,029	16,536,914	14,948,551	148,535,750	110,185,580	38,350,170	34.8%
Total Deferred Inflows of Resources	590,026	1,344,522	4,888	11,515	594,914	1,356,037	(761,123)	(56.1%)
Net Investment in Capital Assets	39,019,826	36,328,695	3,357,604	2,546,232	42,377,430	38,874,927	3,502,503	9.0%
Restricted Net Position	28,820,757	19,975,658	-	-	28,820,757	19,975,658	8,845,099	44.3%
Net Deficit	(102,630,299)	(65,889,124)	(5,644,202)	(4,917,225)	(108,274,501)	(70,806,349)	(37,468,152)	52.9%
Total Net Deficit	\$ (34,789,716)	\$ (9,584,771)	\$ (2,286,598)	\$ (2,370,993)	\$ (37,076,314)	\$ (11,955,764)	\$ (25,120,550)	210.1%

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 are unfunded pension and other post employment benefit liabilities. The unfunded pension and other post employment benefit liabilities are an estimate of how much it will cost the County to fund retiree benefit obligations over time. The County pays benefit payouts as they become due, but does not set aside funds for future retiree benefit costs incurred in the current fiscal year, except as required by CalPERS.

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

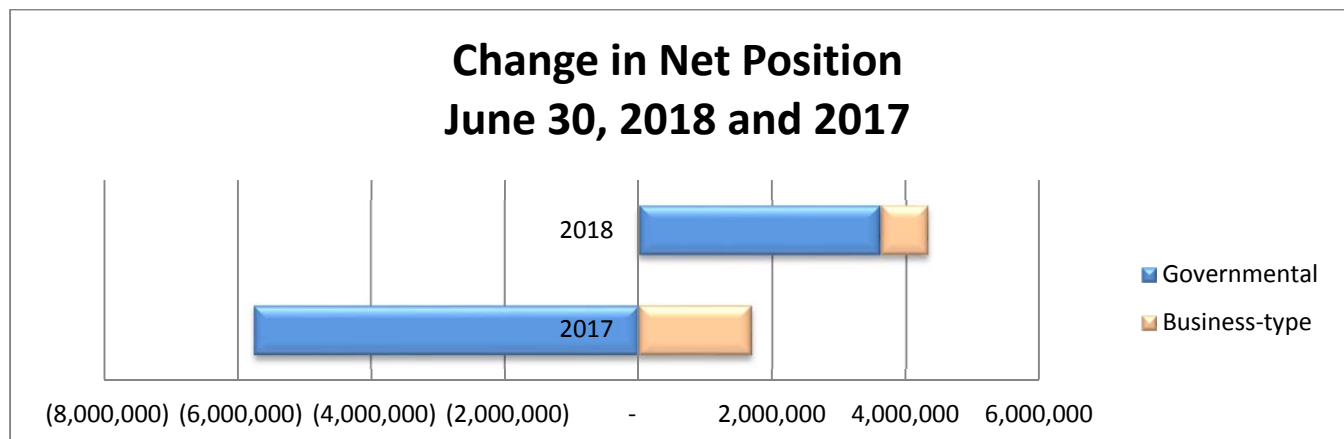


The significant factor contributing to the County’s net deficit is the implementation of GASB Statement No. 68 in 2015 and GASB Statement No. 75 in 2018. GASB 68 and 75 required the County to record the unfunded portion of the pension liability and the other post employment benefit liability, recording the unfunded portion of the retiree benefits 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	
	2018	2017	2018	2017	2018	2017	\$ Change 2017 to 2018	% Change 2017 to 2018
Revenues:								
Program Revenues:								
Charges for Services	\$ 15,036,052	\$ 13,031,783	\$ 2,952,937	\$ 2,726,692	\$ 17,988,989	\$ 15,758,475	\$ 2,230,514	14.2%
Operating Grants and Contributions	53,580,525	47,298,971	42,479	64,729	53,623,004	47,363,700	6,259,304	13.2%
Capital Grants and Contributions	4,140,179	625,634	107,024	650,524	4,247,203	1,276,158	2,971,045	232.8%
General Revenues:								
Property Taxes	7,105,484	6,729,998	-	-	7,105,484	6,729,998	375,486	5.6%
Sales Taxes	1,174,976	1,006,059	-	-	1,174,976	1,006,059	168,917	16.8%
Real Property Transfer Taxes	163,120	130,310	-	-	163,120	130,310	32,810	25.2%
Other Taxes	22,835	21,557	-	-	22,835	21,557	1,278	5.9%
Franchise Fees	555,126	657,043	235,726	215,405	790,852	872,448	(81,596)	(9.4%)
Unrestricted Grants and Contributions	3,912,874	3,779,120	-	-	3,912,874	3,779,120	133,754	3.5%
Unrestricted Investment Income	275,399	143,702	110,582	55,533	385,981	199,235	186,746	93.7%
Miscellaneous Revenues	446,430	431,459	3,555	2,603	449,985	434,062	15,923	3.7%
Total Revenues	86,413,000	73,855,636	3,452,303	3,715,486	89,865,303	77,571,122	12,294,181	15.8%
Program Expenses:								
General Government	7,499,107	10,560,435	-	-	7,499,107	10,560,435	(3,061,328)	(29.0%)
Public Protection	24,670,311	21,699,524	-	-	24,670,311	21,699,524	2,970,787	13.7%
Public Ways and Facilities	6,205,316	6,302,755	-	-	6,205,316	6,302,755	(97,439)	(1.5%)
Health and Sanitation	17,638,744	16,448,632	-	-	17,638,744	16,448,632	1,190,112	7.2%
Public Assistance	26,242,687	24,088,255	-	-	26,242,687	24,088,255	2,154,432	8.9%
Education	441,440	405,103	-	-	441,440	405,103	36,337	9.0%
Interest on Long-Term Debt	133,899	126,763	-	-	133,899	126,763	7,136	5.6%
Solid Waste	-	-	1,321,476	1,249,564	1,321,476	1,249,564	71,912	5.8%
Solid Waste Closure	-	-	629,017	203,542	629,017	203,542	425,475	209.0%
Airport	-	-	757,066	549,498	757,066	549,498	207,568	37.8%
Total Expenses	82,831,504	79,631,467	2,707,559	2,002,604	85,539,063	81,634,071	3,904,992	4.8%
Excess (Deficiency) Before Transfers	3,581,496	(5,775,831)	744,744	1,712,882	4,326,240	(4,062,949)	8,389,189	(206.5%)
Transfers in/(out)	35,003	25,712	(35,003)	(25,712)	-	-	-	-
Change in Net Position	3,616,499	(5,750,119)	709,741	1,687,170	4,326,240	(4,062,949)	8,389,189	(206.5%)
Net Position (Deficit) - Beginning	(9,584,771)	(3,834,652)	(2,370,993)	(4,058,163)	(11,955,764)	(7,892,815)	(4,062,949)	51.5%
Prior Period Adjustment	(28,821,444)	-	(625,346)	-	(29,446,790)	-	(29,446,790)	-
Net Deficit - Ending	\$ (34,789,716)	\$ (9,584,771)	\$ (2,286,598)	\$ (2,370,993)	\$ (37,076,314)	\$ (11,955,764)	\$ (25,120,550)	210.1%

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, 2018.

Component	Amount	Description
Nonspendable	\$ 606,899	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	\$ 24,357,519	These are amounts that are externally constrained by creditors, grantors, contributions, laws, regulations, or enabling legislation.
Committed	\$ 90,913	These are amounts that are for specific purposes determined by the Board of Supervisors such as encumbrances.
Unassigned	\$ 2,851,696	These are amounts that represent the residual classification for the County's General Fund.
Total	\$ 27,907,027	

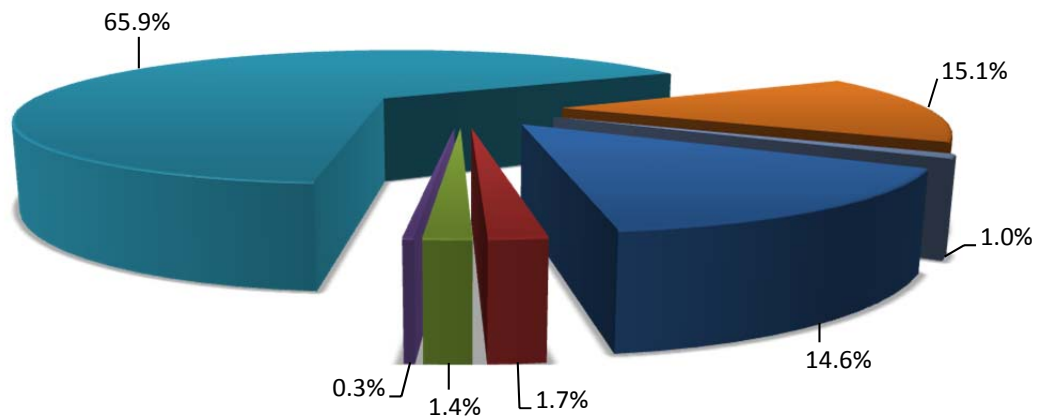
With the approval of the Board of Supervisors, County management may allocate a portion of fund balance to a particular function, project or activity, and may also allocate for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception 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	2018		2017		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 12,379,289	14.6%	\$ 6,881,865	9.2%	\$ 5,497,424	79.9%
Licenses, Permits, and Franchises	1,482,657	1.7%	1,510,288	2.0%	(27,631)	(1.8%)
Fines, Forfeitures, and Penalties	1,218,068	1.4%	1,182,538	1.6%	35,530	3.0%
Use of Money and Property	283,354	0.3%	160,348	0.2%	123,006	76.7%
Aid from Other Governments	56,098,480	65.9%	53,002,427	71.3%	3,096,053	5.8%
Charges for Services	12,824,277	15.1%	9,704,773	13.0%	3,119,504	32.1%
Other	778,680	1.0%	2,043,081	2.7%	(1,264,401)	(61.9%)
Total Revenue	\$ 85,064,805	100.0%	\$ 74,485,320	100.0%	\$ 10,579,485	14.2%

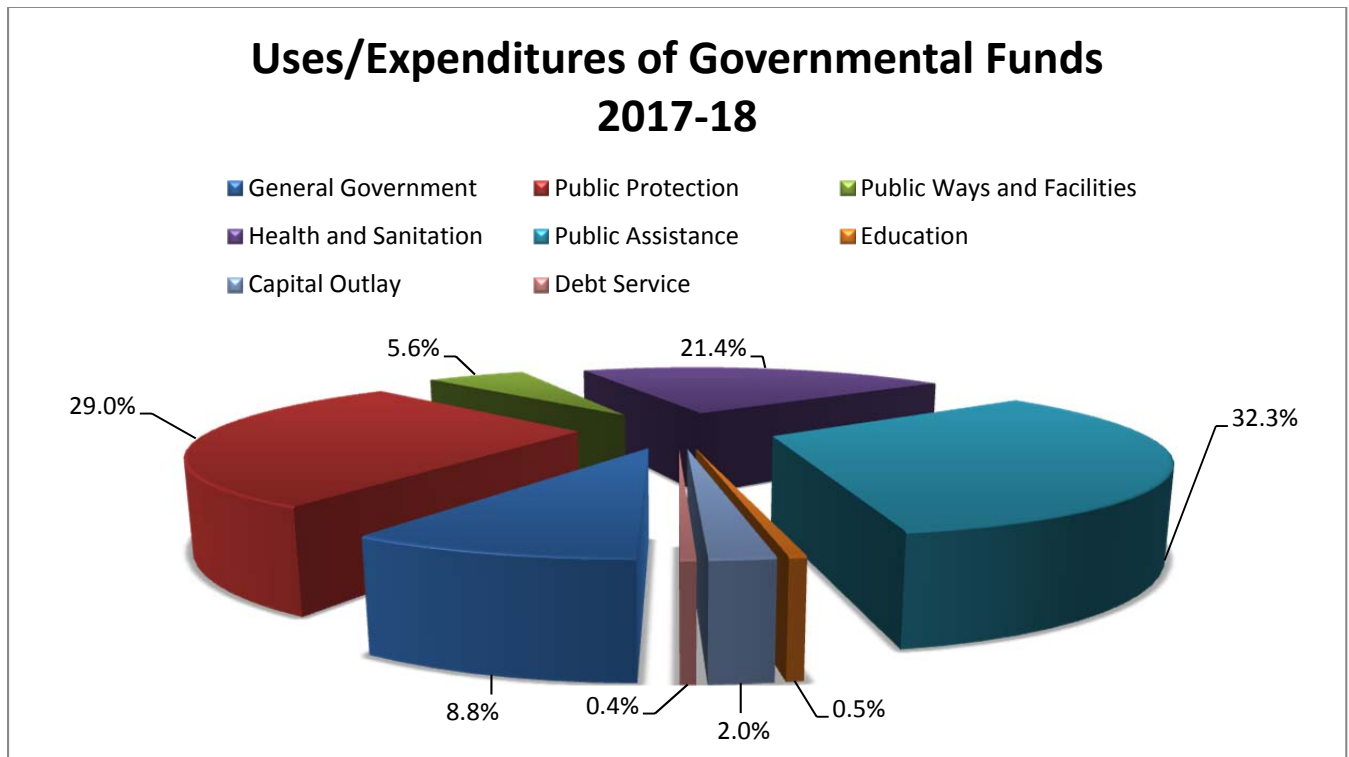
Sources of Revenue - Governmental Funds 2017-18

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



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

Expenditures by Function	2018		2017		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General Government	\$ 7,006,172	8.8%	\$ 5,068,540	6.9%	\$ 1,937,632	38.2%
Public Protection	23,116,628	29.0%	21,407,800	29.0%	1,708,828	8.0%
Public Ways and Facilities	4,452,702	5.6%	5,734,477	7.8%	(1,281,775)	(22.4%)
Health and Sanitation	17,063,706	21.4%	15,976,410	21.7%	1,087,296	6.8%
Public Assistance	25,725,966	32.3%	23,646,977	32.0%	2,078,989	8.8%
Education	429,631	0.5%	394,900	0.5%	34,731	8.8%
Capital Outlay	1,570,616	2.0%	1,149,569	1.6%	421,047	36.6%
Debt Service	381,973	0.4%	371,650	0.5%	10,323	2.8%
Total Expenditures	\$ 79,747,394	100.0%	\$ 73,750,323	100.0%	\$ 5,997,071	8.1%



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.

	2018		2017		Change	
	Amount	% of total	Amount	% of total	Amount	% of change
Enterprise Funds						
Operating Revenues						
Charges for Services	\$ 2,685,822	84.1%	\$ 2,458,570	82.8%	\$ 227,252	9.2%
Rental Income	236,223	7.4%	261,658	8.8%	(25,435)	(9.7%)
Franchise Fees	235,726	7.4%	215,405	7.3%	20,321	9.4%
Other	34,447	1.1%	33,796	1.1%	651	1.9%
Total Operating Revenues	3,192,218	100.0%	2,969,429	100.0%	222,789	7.5%
Operating Expenses						
Salaries and Benefits	691,197	25.6%	482,208	24.2%	208,989	43.3%
Services and Supplies	1,890,944	69.9%	1,435,800	72.0%	455,144	31.7%
Depreciation	120,259	4.5%	74,793	3.8%	45,466	60.8%
Total Operating Expenses	2,702,400	100.0%	1,992,801	100.0%	709,599	35.6%
Operating Income	\$ 489,818		\$ 976,628		\$ (486,810)	(49.8%)
Internal Service Funds						
Operating Revenues						
Charges for Services	\$ 2,723,936	99.4%	\$ 2,453,502	99.8%	\$ 270,434	11.0%
Rental Income	-	0.0%	3,000	0.1%	(3,000)	(100.0%)
Other	15,813	0.6%	3,019	0.1%	12,794	423.8%
Total Operating Revenues	2,739,749	100.0%	2,459,521	100.0%	280,228	11.4%
Operating Expenses						
Services and Supplies	2,605,939	89.1%	2,433,689	98.2%	172,250	7.1%
Depreciation	318,596	10.9%	45,542	1.8%	273,054	599.6%
Total Operating Expenses	2,924,535	100.0%	2,479,231	100.0%	445,304	18.0%
Operating Loss	\$ (184,786)		\$ (19,710)		\$ (165,076)	837.5%

V. Governmental 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	\$ 11,698,810	\$ 11,739,810	\$ 12,379,289	\$ 639,479
Licenses, Permits, and Franchises	1,627,893	1,627,893	1,482,657	(145,236)
Fines, Forfeitures, and Penalties	1,539,304	1,615,974	1,218,068	(397,906)
Use of Money and Property	114,006	114,006	283,354	169,348
Aid from Other Governments	65,310,927	66,727,900	56,098,480	(10,629,420)
Charges for Services	11,814,005	13,177,114	12,824,277	(352,837)
Other	2,511,434	1,292,766	778,680	(514,086)
Total Revenues	94,616,379	96,295,463	85,064,805	(11,230,658)
Expenditures				
General Government	6,270,076	7,729,528	7,006,172	723,356
Public Protection	25,365,725	26,176,886	23,116,628	3,060,258
Public Ways and Facilities	15,939,343	14,595,470	4,452,702	10,142,768
Health and Sanitation	18,900,182	19,020,083	17,063,706	1,956,377
Public Assistance	27,579,809	28,668,062	25,725,966	2,942,096
Education	419,898	434,898	429,631	5,267
Capital Outlay	2,230,573	2,283,860	1,570,616	713,244
Debt Service	373,336	388,185	381,973	6,212
Total Expenditures	97,078,942	99,296,972	79,747,394	19,549,578
Excess (Deficiency) of Revenues Over Expenditures	(2,462,563)	(3,001,509)	5,317,411	8,318,920
Other Financing Sources (Uses)				
Proceeds from Capital Leases	-	51,263	3,132,426	3,081,163
Sale of Capital Assets	-	-	3,100	3,100
Transfers in	32,580,159	33,566,838	11,723,589	(21,843,249)
Transfers out	(32,771,747)	(34,410,615)	(12,217,961)	22,192,654
Total Other Financing Sources (Uses)	(191,588)	(792,514)	2,641,154	3,433,668
Net Change in Fund Balances	\$ (2,654,151)	\$ (3,794,023)	\$ 7,958,565	\$ 11,752,588

VI. 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	
	2018	2017	2018	2017	2018	2017
Land	\$ 157,414	\$ 157,414	\$ 1,022,894	\$ 1,022,894	\$ 1,180,308	\$ 1,180,308
Construction in Progress	4,924,838	5,104,615	1,054,241	920,683	5,979,079	6,025,298
Buildings and Improvements	8,745,965	9,109,145	1,282,717	695,913	10,028,682	9,805,058
Equipment	3,512,753	3,309,276	82,557	68,829	3,595,310	3,378,105
Infrastructure	22,472,153	22,022,153	-	-	22,472,153	22,022,153
Total Capital Assets, Net	<u>\$ 39,813,123</u>	<u>\$ 39,702,603</u>	<u>\$ 3,442,409</u>	<u>\$ 2,708,319</u>	<u>\$ 43,255,532</u>	<u>\$ 42,410,922</u>

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

Long-term Obligations

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Certificates of Participation	\$ 2,325,000	\$ 2,370,000	\$ -	\$ -	\$ 2,325,000	\$ 2,370,000
Loans	546,450	546,450	-	-	546,450	546,450
Capital Leases	3,379,274	449,922	84,805	162,087	3,464,079	612,009
Compensated Absences	1,790,332	1,828,561	25,091	32,174	1,815,423	1,860,735
Landfill Postclosure Liability	-	-	4,490,936	4,328,668	4,490,936	4,328,668
Landfill Closure Liability	-	-	10,033,610	9,566,861	10,033,610	9,566,861
Net OPEB Obligation	46,370,092	16,728,229	824,764	184,826	47,194,856	16,913,055
Net Pension Liability	72,309,148	63,365,143	885,511	602,042	73,194,659	63,967,185
Total Long-Term Liabilities	<u>\$ 126,720,296</u>	<u>\$ 85,288,305</u>	<u>\$ 16,344,717</u>	<u>\$ 14,876,658</u>	<u>\$ 143,065,013</u>	<u>\$ 100,164,963</u>

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

VII. Fiscal Outlook

The County adopted its fiscal year 2018-19 Final Budget in the amount of \$105,838,776.

The County will continue to face fiscal challenges in the foreseeable future unless a stable funding source can be provided to help match the pace of rising costs needed to provide mandated services. The single most critical issue facing the County is that employee costs, including retiree benefits are growing at a much faster pace than funding.

VIII. 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, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 28,376,550	\$ 10,394,246	\$ 38,770,796
Internal Balances	53,609	(53,609)	-
Due from Other Agencies	578,118	8,287	586,405
Accounts Receivable	854,848	215,268	1,070,116
Due from Other Governments	6,744,346	-	6,744,346
Prepaid Expenses	198,333	550	198,883
Inventory	146,722	18,556	165,278
Loans Receivable	2,238,160	-	2,238,160
Capital Assets:			
Non-Depreciable	5,082,252	2,077,135	7,159,387
Depreciable, Net	34,730,871	1,365,274	36,096,145
Total Capital Assets	<u>39,813,123</u>	<u>3,442,409</u>	<u>43,255,532</u>
Total Assets	<u>79,003,809</u>	<u>14,025,707</u>	<u>93,029,516</u>
DEFERRED OUTFLOWS OF RESOURCES-PENSION	<u>18,795,337</u>	<u>229,497</u>	<u>19,024,834</u>
LIABILITIES			
Salaries and Benefits Payable	1,402,584	14,399	1,416,983
Accounts Payable	3,694,840	153,510	3,848,350
Deposits Payable	32,898	24,288	57,186
Unearned Revenue	148,218	-	148,218
Long-Term Liabilities:			
Due Within One Year	1,843,295	108,285	1,951,580
Due in More Than One Year	124,877,001	16,236,432	141,113,433
Total Liabilities	<u>131,998,836</u>	<u>16,536,914</u>	<u>148,535,750</u>
DEFERRED INFLOWS OF RESOURCES-PENSION	<u>590,026</u>	<u>4,888</u>	<u>594,914</u>
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	39,019,826	3,357,604	42,377,430
Restricted for:			
General Government	1,376,933	-	1,376,933
Public Protection	6,843,220	-	6,843,220
Public Ways & Facilities	2,069,004	-	2,069,004
Health & Sanitation	7,940,440	-	7,940,440
Public Assistance	6,137,332	-	6,137,332
Education	706,949	-	706,949
Capital Projects	3,641,460	-	3,641,460
Debt Service	105,419	-	105,419
Unrestricted	<u>(102,630,299)</u>	<u>(5,644,202)</u>	<u>(108,274,501)</u>
Total Net Deficit	<u>\$ (34,789,716)</u>	<u>\$ (2,286,598)</u>	<u>\$ (37,076,314)</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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 7,499,107	\$ 5,223,740	\$ 1,207,296	\$ 20,039	\$ (1,048,032)	\$ -	\$ (1,048,032)
Public Protection	24,670,311	5,197,477	9,932,719	-	(9,540,115)	-	(9,540,115)
Public Ways and Facilities	6,205,316	1,362,396	363,541	4,120,140	(359,239)	-	(359,239)
Health and Sanitation	17,638,744	3,178,502	17,193,803	-	2,733,561	-	2,733,561
Public Assistance	26,242,687	73,937	24,880,853	-	(1,287,897)	-	(1,287,897)
Education	441,440	-	2,313	-	(439,127)	-	(439,127)
Interest on Long-Term Debt	133,899	-	-	-	(133,899)	-	(133,899)
Total Governmental Activities	82,831,504	15,036,052	53,580,525	4,140,179	(10,074,748)	-	(10,074,748)
Business-Type activities:							
Solid Waste Operating	1,321,476	2,349,876	40,000	-	-	1,068,400	1,068,400
Solid Waste Closure	629,017	-	-	-	-	(629,017)	(629,017)
Airport	757,066	603,061	2,479	107,024	-	(44,502)	(44,502)
Total Business-Type Activities	2,707,559	2,952,937	42,479	107,024	-	394,881	394,881
Total Primary Government	\$ 85,539,063	\$ 17,988,989	\$ 53,623,004	\$ 4,247,203	(10,074,748)	394,881	(9,679,867)
General Revenues:							
Taxes:							
Property Taxes					7,105,484	-	7,105,484
Sales and Use Taxes					1,174,976	-	1,174,976
Real Property Transfer Taxes					163,120	-	163,120
Other Taxes					22,835	-	22,835
Franchise Fees					555,126	235,726	790,852
Grants and Contributions - Unrestricted					3,912,874	-	3,912,874
Interest and Investment Earnings					275,399	110,582	385,981
Miscellaneous					446,430	3,555	449,985
Transfers in (out)					35,003	(35,003)	-
Total General Revenues					13,691,247	314,860	14,006,107
Change in Net Position					3,616,499	709,741	4,326,240
Net Deficit - Beginning					(9,584,771)	(2,370,993)	(11,955,764)
Prior Period Adjustment					(28,821,444)	(625,346)	(29,446,790)
Net Deficit - Beginning, Restated					(38,406,215)	(2,996,339)	(41,402,554)
Net Deficit - Ending					\$ (34,789,716)	\$ (2,286,598)	\$ (37,076,314)

The accompanying notes are integral part of these financial statements.



**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**



COUNTY OF GLENN

Balance Sheet
Governmental Funds
June 30, 2018

	<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>
ASSETS							
Cash and Investments	\$ 5,637,660	\$ 1,116,817	\$ 1,270,548	\$ 3,505,578	\$ 5,969,286	\$ 9,342,207	\$ 26,842,096
Due from Other Funds	4,228,209	107,484	80,742	38,406	9,305	56,470	4,520,616
Accounts Receivable	100,386	199,058	485,998	15,437	6,232	30,298	837,409
Due from Other Governments	4,623,960	-	431,379	314,612	731,392	643,003	6,744,346
Prepaid Items	181,340	1,603	867	-	332	10,545	194,687
Inventory	-	27,236	95,810	-	-	6,566	129,612
Advances to Other Funds	282,600	-	-	-	1,175,000	1,250,000	2,707,600
Loans Receivable	-	2,238,160	-	-	-	-	2,238,160
Total Assets	<u>\$ 15,054,155</u>	<u>\$ 3,690,358</u>	<u>\$ 2,365,344</u>	<u>\$ 3,874,033</u>	<u>\$ 7,891,547</u>	<u>\$ 11,339,089</u>	<u>\$ 44,214,526</u>
LIABILITIES							
Due to Other Funds	\$ 387,922	\$ 11,961	\$ 2,347	\$ 755,212	\$ 2,236,057	\$ 710,378	\$ 4,103,877
Accounts Payable	3,180,454	80,814	223,836	-	7,012	132,527	3,624,643
Accrued Salaries and Benefits	1,137,185	51,428	79,201	-	43,234	91,536	1,402,584
Deposits Payable	18,598	4,382	-	-	-	9,918	32,898
Unearned Revenue	147,494	724	-	-	-	-	148,218
Advances from Other Funds	2,425,000	250,000	-	-	-	-	2,675,000
Total Liabilities	<u>7,296,653</u>	<u>399,309</u>	<u>305,384</u>	<u>755,212</u>	<u>2,286,303</u>	<u>944,359</u>	<u>11,987,220</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	3,645,946	194,516	345,783	-	-	134,034	4,320,279
FUND BALANCES							
Nonspendable	463,940	28,839	96,677	-	332	17,111	606,899
Restricted	681,571	3,067,694	1,617,500	3,118,821	5,604,912	10,267,021	24,357,519
Committed	90,913	-	-	-	-	-	90,913
Unassigned	2,875,132	-	-	-	-	(23,436)	2,851,696
Total Fund Balances	<u>4,111,556</u>	<u>3,096,533</u>	<u>1,714,177</u>	<u>3,118,821</u>	<u>5,605,244</u>	<u>10,260,696</u>	<u>27,907,027</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 15,054,155</u>	<u>\$ 3,690,358</u>	<u>\$ 2,365,344</u>	<u>\$ 3,874,033</u>	<u>\$ 7,891,547</u>	<u>\$ 11,339,089</u>	<u>\$ 44,214,526</u>

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, 2018

Fund Balances - Total Governmental Funds \$ 27,907,027

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

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	4,924,838	
Buildings and Improvements	18,059,133	
Equipment	12,242,069	
Infrastructure	43,862,300	
Less: Accumulated Depreciation	<u>(41,416,610)</u>	
Total Capital Assets		37,829,144

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. 4,320,279

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. 3,668,819

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, 2018 are:

Certificates of Participation	(2,325,000)	
Loans Payable	(546,450)	
Capital Leases	(3,379,274)	
Compensated Absences	(1,790,332)	
Net OPEB Obligation	(46,370,092)	
Net Pension Liability	<u>(72,309,148)</u>	
Total Long-Term Liabilities		(126,720,296)

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, 2018 are:

Deferred Outflows of Resources	18,795,337	
Deferred Inflows of Resources	<u>(590,026)</u>	
Total Deferred Pension Balances		<u>18,205,311</u>

Net Deficit of Governmental Activities \$ (34,789,716)

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, 2018

	General Fund	Community Action Agency Fund	Road Fund	Mental Health Services Act Fund	County Local Revenue 2011 Fund	Other Governmental Funds	Total
REVENUES							
Taxes	\$ 12,014,553	\$ -	\$ -	\$ -	\$ -	\$ 364,736	\$ 12,379,289
Licenses, Permits, and Franchises	1,108,073	-	18,098	-	-	356,486	1,482,657
Fines, Forfeitures, and Penalties	1,199,106	-	-	-	-	18,962	1,218,068
Use of Money and Property	134,370	16,880	14,971	34,689	13,431	69,013	283,354
Aid from Other Governments	28,468,424	1,741,202	4,137,898	6,258,142	8,534,093	6,958,721	56,098,480
Charges for Services	9,155,959	70,451	577,096	-	-	3,020,771	12,824,277
Other	743,090	2,496	5,133	-	20,927	7,034	778,680
Total Revenues	52,823,575	1,831,029	4,753,196	6,292,831	8,568,451	10,795,723	85,064,805
EXPENDITURES							
Current:							
General Government	5,579,559	-	-	-	-	1,426,613	7,006,172
Public Protection	19,368,469	-	-	-	1,529,600	2,218,559	23,116,628
Public Ways and Facilities	-	-	3,719,276	-	-	733,426	4,452,702
Health and Sanitation	15,924,372	-	-	10,391	-	1,128,943	17,063,706
Public Assistance	19,058,732	2,576,191	-	-	-	4,091,043	25,725,966
Education	429,631	-	-	-	-	-	429,631
Capital Outlay	166,681	-	1,383,649	-	-	20,286	1,570,616
Debt Service:							
Principal	-	-	-	-	-	248,074	248,074
Interest and Other Charges	25,151	-	-	-	-	108,748	133,899
Total Expenditures	60,552,595	2,576,191	5,102,925	10,391	1,529,600	9,975,692	79,747,394
Excess (Deficiency) of Revenues Over Expenditures	(7,729,020)	(745,162)	(349,729)	6,282,440	7,038,851	820,031	5,317,411
OTHER FINANCING SOURCES (USES)							
Capital Leases	-	-	-	-	-	3,132,426	3,132,426
Sale of Capital Assets	-	-	-	-	-	3,100	3,100
Transfers in	10,590,460	819,645	-	-	9,247	304,237	11,723,589
Transfers out	(1,449,073)	(34,094)	-	(3,252,128)	(6,917,937)	(564,729)	(12,217,961)
Total Other Financing Sources (Uses)	9,141,387	785,551	-	(3,252,128)	(6,908,690)	2,875,034	2,641,154
Net Change in Fund Balances	1,412,367	40,389	(349,729)	3,030,312	130,161	3,695,065	7,958,565
Fund Balances - Beginning	2,699,189	3,056,144	2,063,906	88,509	5,475,083	6,565,631	19,948,462
Fund Balances - Ending	\$ 4,111,556	\$ 3,096,533	\$ 1,714,177	\$ 3,118,821	\$ 5,605,244	\$ 10,260,696	\$ 27,907,027

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, 2018

Net Change in Fund Balances - Total Governmental Funds		\$ 7,958,565
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital Outlay Expenditures	\$ 1,570,616	
Depreciation Expense Not Reported in Governmental Funds	<u>(2,053,330)</u>	(482,714)
<p>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.</p>		
Principal Payments on Long-Term Debt		248,074
<p>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.</p>		
Change in Unavailable Revenue		1,324,597
<p>Issuance of debt and capital leases are reported as other financing sources in the governmental funds, however, debt issuance and capital leases are reported as increases to long-term liabilities in the statement of net position.</p>		
		(3,132,426)
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are 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.</p>		
Compensated Absences	38,229	
Other Postemployment Benefits (OPEB)	(820,418)	
Net Pension Liability and Related Deferred Outflows/Inflows of Resources	<u>(1,882,494)</u>	(2,664,683)
<p>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 internal service funds is reported with governmental activities.</p>		
		<u>365,086</u>
Change in Net Position of Governmental Activities		\$ <u>3,616,499</u>

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

COUNTY OF GLENN

Statement of Net Position
Proprietary Funds
June 30, 2018

	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	\$ 4,321,434	\$ 5,532,561	\$ 540,251	\$ 10,394,246	\$ 1,534,454
Due from Other Funds	13,769	-	213	13,982	220,407
Accounts Receivable	156,190	26,856	32,222	215,268	17,439
Prepaid Expenses	550	-	-	550	3,646
Inventory	-	-	18,556	18,556	17,110
Total Current Assets	4,491,943	5,559,417	591,242	10,642,602	1,793,056
Noncurrent Assets:					
Capital Assets:					
Nondepreciable	1,829,137	-	247,998	2,077,135	-
Depreciable, Net	51,416	-	1,313,858	1,365,274	1,983,979
Total Noncurrent Assets	1,880,553	-	1,561,856	3,442,409	1,983,979
DEFERRED OUTFLOWS OF RESOURCES-PENSION	229,497	-	-	229,497	-
LIABILITIES					
Current Liabilities:					
Accrued Salaries and Benefits	14,399	-	-	14,399	-
Due to Other Funds	34,824	-	24,480	59,304	8,919
Accounts Payable	138,421	-	15,089	153,510	70,197
Deposits Payable	-	-	24,288	24,288	-
Advances from Other Funds	-	-	-	-	29,100
Capital Leases	84,805	-	-	84,805	-
Compensated Absences	23,480	-	-	23,480	-
Total Current Liabilities	295,929	-	63,857	359,786	108,216
Noncurrent Liabilities:					
Compensated Absences	1,611	-	-	1,611	-
Closure Liability	-	10,033,610	-	10,033,610	-
Postclosure Liability	-	4,490,936	-	4,490,936	-
Net OPEB Obligation	824,764	-	-	824,764	-
Net Pension Liability	885,511	-	-	885,511	-
Total Noncurrent Liabilities	1,711,886	14,524,546	-	16,236,432	-
DEFERRED INFLOWS OF RESOURCES-PENSION	4,888	-	-	4,888	-
NET POSITION (DEFICIT)					
Net Investment in Capital Assets	1,795,748	-	1,561,856	3,357,604	1,983,979
Unrestricted	2,793,542	(8,965,129)	527,385	(5,644,202)	1,684,840
Total Net Position (Deficit)	\$ 4,589,290	\$ (8,965,129)	\$ 2,089,241	\$ (2,286,598)	\$ 3,668,819

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

COUNTY OF GLENN

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities Enterprise Funds			Total	Governmental Activities
	Solid Waste Operating Fund	Solid Waste Closure Fund	Airport Fund		Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 2,318,984	\$ -	\$ 366,838	\$ 2,685,822	\$ 2,723,936
Rental Income	-	-	236,223	236,223	-
Franchise Fees	235,726	-	-	235,726	-
Other	33,122	-	1,325	34,447	15,813
Total Operating Revenues	<u>2,587,832</u>	<u>-</u>	<u>604,386</u>	<u>3,192,218</u>	<u>2,739,749</u>
OPERATING EXPENSES					
Salaries and Benefits	691,197	-	-	691,197	-
Services and Supplies	610,228	-	651,699	1,261,927	2,605,939
Landfill Closure/Postclosure Care Costs	-	629,017	-	629,017	-
Depreciation	14,892	-	105,367	120,259	318,596
Total Operating Expenses	<u>1,316,317</u>	<u>629,017</u>	<u>757,066</u>	<u>2,702,400</u>	<u>2,924,535</u>
Operating Income (Loss)	<u>1,271,515</u>	<u>(629,017)</u>	<u>(152,680)</u>	<u>489,818</u>	<u>(184,786)</u>
NON-OPERATING REVENUES (EXPENSES)					
Aid from Other Governments	40,000	-	109,503	149,503	-
Investment Income	46,525	58,497	5,560	110,582	20,497
Interest Expense	(5,160)	-	-	(5,160)	-
Total Non-Operating Revenue	<u>81,365</u>	<u>58,497</u>	<u>115,063</u>	<u>254,925</u>	<u>20,497</u>
Income (Loss) Before Transfers	<u>1,352,880</u>	<u>(570,520)</u>	<u>(37,617)</u>	<u>744,743</u>	<u>(164,289)</u>
Transfers in	-	484,218	-	484,218	529,375
Transfers out	(506,719)	-	(12,501)	(519,220)	-
Change in Net Position	<u>846,161</u>	<u>(86,302)</u>	<u>(50,118)</u>	<u>709,741</u>	<u>365,086</u>
Net Position (Deficit) - Beginning	<u>4,368,475</u>	<u>(8,878,827)</u>	<u>2,139,359</u>	<u>(2,370,993)</u>	<u>3,303,733</u>
Prior Period Adjustment	(625,346)	-	-	(625,346)	-
Net Position (Deficit) - Beginning, Restated	<u>3,743,129</u>	<u>(8,878,827)</u>	<u>2,139,359</u>	<u>(2,996,339)</u>	<u>3,303,733</u>
Net Position (Deficit) - Ending	<u>\$ 4,589,290</u>	<u>\$ (8,965,129)</u>	<u>\$ 2,089,241</u>	<u>\$ (2,286,598)</u>	<u>\$ 3,668,819</u>

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

COUNTY OF GLENN

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	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					
Cash Received from Customers	\$ 2,564,346	\$ (10,439)	\$ 646,093	\$ 3,200,000	\$ 2,738,213
Cash Paid to Suppliers for Goods and Services	(489,969)	-	(633,384)	(1,123,353)	(2,524,283)
Cash Paid to Employees for Services	(523,920)	-	-	(523,920)	-
Net Cash Provided (Used) by Operating Activities	<u>1,550,457</u>	<u>(10,439)</u>	<u>12,709</u>	<u>1,552,727</u>	<u>213,930</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants and Other Receipts	40,000	-	109,503	149,503	-
Interfund Loan Repayments Received	15,409	-	12,528	27,937	74,897
Interfund Loans Received	34,824	-	24,480	59,304	38,019
Interfund Loans Made	(13,769)	-	(213)	(13,982)	(220,407)
Interfund Loans Repaid	(10,589)	-	(3,971)	(14,560)	(96,818)
Transfers in	-	484,218	-	484,218	529,375
Transfers out	(506,719)	-	(12,501)	(519,220)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(440,844)</u>	<u>484,218</u>	<u>129,826</u>	<u>173,200</u>	<u>325,066</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(791,880)	-	(62,469)	(854,349)	(911,830)
Principal Paid on Capital Debt	(77,282)	-	-	(77,282)	-
Interest Paid on Capital Debt	(6,752)	-	-	(6,752)	-
Net Cash Used by Capital and Related Financing Activities	<u>(875,914)</u>	<u>-</u>	<u>(62,469)</u>	<u>(938,383)</u>	<u>(911,830)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Dividends	46,525	58,497	5,560	110,582	20,497
Net Increase in Cash and Cash Equivalents	280,224	532,276	85,626	898,126	(352,337)
Cash and Cash Equivalents - Beginning	4,041,210	5,000,285	454,625	9,496,120	1,886,791
Cash and Cash Equivalents - Ending	<u>\$ 4,321,434</u>	<u>\$ 5,532,561</u>	<u>\$ 540,251</u>	<u>\$ 10,394,246</u>	<u>\$ 1,534,454</u>

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

COUNTY OF GLENN

Statement of Cash Flows (Continued)
 Proprietary Funds
 For the Fiscal Year Ended June 30, 2018

	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)	\$ 1,271,515	\$ (629,017)	\$ (152,680)	\$ 489,818	\$ (184,786)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	14,892	-	105,367	120,259	318,596
Changes in Assets and Liabilities:					
(Increase) Decrease in:					
Accounts Receivable	(23,486)	(10,439)	45,461	11,536	42,373
Prepaid Expenses	1,808	-	-	1,808	40,603
Inventory	-	-	11,695	11,695	7,668
Deferred Outflows of Resources-Pension	(117,653)	-	-	(117,653)	-
(Increase) Decrease in:					
Accrued Salaries and Benefits	579	-	-	579	-
Accounts Payable	118,451	-	6,620	125,071	33,385
Deposits Payable	-	-	(3,754)	(3,754)	-
Unearned Revenue	-	-	-	-	(43,909)
Compensated Absences	(7,083)	-	-	(7,083)	-
Closure Liability	-	466,749	-	466,749	-
Postclosure Liability	-	162,268	-	162,268	-
Net OPEB Obligation	14,592	-	-	14,592	-
Net Pension Liability	283,469	-	-	283,469	-
Deferred Inflows of Resources-Pension	(6,627)	-	-	(6,627)	-
Net Cash Provided (Used) by Operating Activities	\$ 1,550,457	\$ (10,439)	\$ 12,709	\$ 1,552,727	\$ 213,930

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

COUNTY OF GLENN

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	<u>Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Total</u>	<u>Agency Funds</u>
ASSETS				
Cash and Investments	\$ 49,868,776	\$ 25,536	\$ 49,894,312	\$ 9,804,182
Due from Other Funds	1,469,102	-	1,469,102	487,547
Interest Receivable	245,056	124	245,180	285,120
Property Taxes Receivable	-	-	-	1,709,830
Total Assets	<u>51,582,934</u>	<u>25,660</u>	<u>51,608,594</u>	<u>12,286,679</u>
LIABILITIES				
Due to Other Funds	8,031	-	8,031	2,531,523
Advances from Other Funds	-	-	-	3,500
Agency Obligations	-	-	-	9,751,656
Total Liabilities	<u>8,031</u>	<u>-</u>	<u>8,031</u>	<u>\$ 12,286,679</u>
NET POSITION				
Net Position Held in Trust	<u>51,574,903</u>	<u>25,660</u>	<u>51,600,563</u>	
Total Net Position	<u>\$ 51,574,903</u>	<u>\$ 25,660</u>	<u>\$ 51,600,563</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, 2018

	<u>Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Total</u>
ADDITIONS			
Contributions to Investment Pool	\$ 135,706,795	\$ -	\$ 135,706,795
Investment Income	539,914	270	540,184
Total Additions	<u>136,246,709</u>	<u>270</u>	<u>136,246,979</u>
DEDUCTIONS			
Distributions from Investment Pool	<u>133,751,296</u>	<u>-</u>	<u>133,751,296</u>
Change in Net Position	<u>2,495,413</u>	<u>270</u>	<u>2,495,683</u>
Net Position - Beginning	<u>49,079,490</u>	<u>25,390</u>	<u>49,104,880</u>
Net Position - Ending	<u>\$ 51,574,903</u>	<u>\$ 25,660</u>	<u>\$ 51,600,563</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, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the 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. Financial Accountability is primarily demonstrated by the County's Board acting as, or appointing, the governing board for each of the component units and its ability to impose its will. Because of their relationship with the County and the nature of their operations, component units are, in substance, part of the County's operations and, accordingly, the activities of these component units are combined or blended with the activities of the County for purposes of financial reporting in the accompanying financial statements. Each blended component unit has a June 30, 2018 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

Storm Drain Maintenance #1
Storm Drain Maintenance #3
Willows Rural Fire District
North Willows County Service Area

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

A. Reporting Entity (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.

Joint Ventures

Sites Project Authority

The County is a member of the Sites Project Authority (Sites), a California Joint Powers Authority (JPA). The Sites JPA's governing body is a Board of Directors comprised of one representative of each member. The Sites JPA is a water storage project established primarily for water supply and flood protection purposes. The County has no continuing financial liability and does not expect any financial burden from its participation in the Sites JPA. Separate financial statements for the Sites JPA can be obtained at: <https://www.sitesproject.org/>

Glenn Groundwater Authority

The County is a member of the Glenn Groundwater Authority (Groundwater), a California JPA. The Groundwater JPA was established under the Sustainable Groundwater Management Act (Act) to provide a dynamic, cost-effective, flexible, and collegial organization to ensure compliance with the Act within the Glenn County areas of the Colusa Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin. The County has no continuing financial liability and does not expect any financial burden from its participation in the Groundwater JPA. Separate financial statements for the Groundwater JPA can be obtained by writing to the County of Glenn, Department of Finance, 516 W. Sycamore Street, Willows, CA 95988.

Golden State Risk Management Authority

The County and the County's special districts formed the Golden State Risk Management Authority (Golden State), a California JPA, for the purpose of creating a common pool of funds to be used to meet obligations of the members to provide coverage for worker's compensation and general liability exposures and to pay for the administration of the program. The JPA Agreement (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 Golden State JPA is a "risk-sharing pool". The Golden State JPA manages one pool for all its members. The Agreement allows its members to transfer or pool risks and share in the cost of losses. Premiums due to the plans are reported when incurred. Each member of the Plan pays an annual premium to the Golden State JPA which is evaluated each year. See additional insurance coverage and settled claims information in Note 11 to the financial statements. Separate financial statements for the Golden State JPA can be obtained at: <http://gsrma.org/>

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

California State Association of Counties Excess Insurance Authority

The County is a member of the California State Association of Counties Excess Insurance Authority (CSAC). CSAC is a California JPA organized for the purpose of developing and funding excess insurance programs for member counties. The CSAC JPA operates public entity risk pools for workers' compensation, comprehensive liability, property, and medical malpractice, and the pool purchases excess insurance and services for members. The CSAC JPA is under the control and direction of a Board of Directors consisting of representatives of the fifty member counties. The County has no continuing financial liability and does not expect any financial burden from its participation in the CSAC JPA. Separate financial statements for the CSAC JPA can be obtained at: <https://www.csac-eia.org/>

B. Basis of Presentation

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. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include: 1) charges paid by the recipients of goods 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 nonmajor funds. Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's primary ongoing operations. The primary operating revenues of the County's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administration expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, health and sanitation, public assistance and education services.
- 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 two 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.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet management services, County facilities, and centralized County services.
- The *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 nonoperating 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: use of money and property, aid from other governments, and charges for services has 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, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Licenses, permits, and franchises, 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 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, 2018 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, 2018, 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, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents (Continued)

Fair Value Measurements

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, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents (Continued)

Following is a description of the valuation techniques used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2018.

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, 2017**.

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, 2018

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 (1%) of total amount of taxes levied on the secured roll for the year or 2) Twenty-five percent (25%) 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 acquisition 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, 2018

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 becomes 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, 2018

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, 2018

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, 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.

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, grantors, contributors or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – Amounts that can be used only for the specific purpose imposed by ordinance or resolution of the County's highest decision-making authority (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. The intent can be established 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.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Balance (Continued)

Minimum Fund Balance Policy

Minimum fund balance requirements are as follows:

- *Assigned Fund Balance* – In the annual budget, the Board of Supervisors will designate assigned fund balance for debt service equal to at least one year of debt service payments.
- *Unassigned Fund Balance* – The upper goal for the General Fund unassigned fund balance is 15%, but not less than 5%, of the average final budgeted fund appropriations for the preceding three fiscal years.
- *Excess Fund Balance Available* – When the fund balance available exceeds the upper goal, the excess may be used for the following purposes:
 - Supplement the “pay as you go” capital outlay expenditures;
 - Prepay existing debt; or
 - Fund the following one-time or short-term projects:
 - Restore funds advanced from the General Fund in prior fiscal years;
 - Increase the general reserve to its minimally established level;
 - Capital and technological improvements;
 - Reduction of unfunded liabilities, including retirement and retiree health obligations;
 - Debt retirement;
 - Productivity enhancements;
 - Cost avoidance projects;
 - Litigation;
 - Local match for grants involving multiple departments; and
 - Other purposes, which are fiscally prudent for the County as identified and recommended by the County Department Heads and approved by the Board of Supervisors.

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 purposes 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.

Only the Board of Supervisors has the authority to assign unassigned fund balance amounts where the County’s intent is for those amounts to be used for specific purposes.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 2: CASH AND INVESTMENTS

As of June 30, 2018, the County's cash and investments are reported in the financial statements as follows:

Statement of Net Position:

Primary Government	\$ 38,770,796
Fiduciary Funds	59,698,494
Total Cash and Investments	<u>\$ 98,469,290</u>

Cash and investments as of June 30, 2018 consisted of the following:

Cash in Bank - Revolving and Custodial	\$ 639,556
Deposits in Treasurer's Pool (Net of Outstanding Checks)	4,903,296
Investments	92,926,438
Total Cash and Investments	<u>\$ 98,469,290</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.

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

- 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)

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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		\$ -	\$ 18,297,902	\$ 18,297,902	3.15
Governmental Agencies	1.483 - 2.552%	-	10,831,651	10,831,651	2.63
Commercial Paper	2.420 - 2.516%	2,663,979	-	2,663,979	0.37
Asset-Backed Securities	2.327 - 4.041%	-	2,204,833	2,204,833	4.07
Corporate Notes	1.804 - 3.114%	-	11,822,403	11,822,403	2.81
Municipal Bond	2.200%	-	577,940	577,940	4.26
Supranational Agency Notes	2.250 - 2.702%	-	1,981,540	1,981,540	2.69
Certificates of Deposit	0.400 - 3.240%	-	8,689,179	8,689,179	1.83
Money Market Accounts	Variable	5,025,195	-	5,025,195	-
LAIF	Variable	10,129,746	-	10,129,746	0.53
CAMP	Variable	18,302,070	-	18,302,070	0.13
Teeter Note	Variable	2,400,000	-	2,400,000	1.00
Total Investments		\$ 38,520,990	\$ 54,405,448	\$ 92,926,438	1.92

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

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 the end of the fiscal year 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	19.69%
Governmental Agencies	N/A	AA+	Aaa	11.66%
Commercial Paper	A/A-1	A-1	P-1	2.87%
Asset-Backed Securities	AA	AAA	Aaa	1.63%
Asset-Backed Security	AA	AAA	Unrated	0.54%
Asset-Backed Security	AA	Unrated	Aaa	0.20%
Corporate Note	A	AA+	Aa1	0.89%
Corporate Notes	A	AA-	Aa3	1.25%
Corporate Note	A	AA	Aa2	1.21%
Corporate Notes	A	A+	A1	2.03%
Corporate Notes	A	A	A1	2.10%
Corporate Notes	A	A	A2	1.62%
Corporate Notes	A	A-	A2	1.24%
Corporate Notes	A	A-	A3	1.18%
Corporate Note	A	BBB+	A3	0.60%
Corporate Note	A	BBB+	Baa1	0.61%
Municipal Bond	A	AA-	Aa3	0.62%
Supranational Agency Notes	AA	AAA	Aaa	2.13%
Certificate of Deposit	N/A	AA-	Aa2	1.22%
Certificates of Deposit	N/A	AA-	Aa3	2.01%
Certificate of Deposit	N/A	AA-	A1	0.61%
Certificates of Deposit	N/A	A+	Aa2	2.14%
Certificates of Deposit	N/A	A+	A1	1.61%
Certificates of Deposit	N/A	A	A1	1.75%
Money Market Account	N/A	Unrated	Unrated	5.35%
Money Market Account	N/A	Unrated	Unrated	0.06%
LAIF	N/A	Unrated	Unrated	10.90%
CAMP	N/A	Unrated	Unrated	19.70%
Teeter Note	N/A	Unrated	Unrated	2.58%
Total				<u>100.00%</u>

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The County's investment policy contains limitations on the amount that can be invested in any one issuer.

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

<u>Investment Type</u>	<u>Issuer</u>	<u>Investment Balance</u>	<u>Percentage of Total Investments</u>
Governmental Agencies	Fannie Mae	\$ 7,470,243	8.04%
Money Market Account	Umpqua Bank	\$ 4,968,927	5.35%

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 is a voluntary participant in the California Asset Management Program (CAMP), a California Joint Powers Authority, 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 balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on the amortized cost basis. As of June 30, 2018, the County's total investment in CAMP was \$18,302,070.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018:

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total Pool</u>
Statement of Net Position			
Cash in Bank - Revolving and Custodial	\$ 47,336	\$ 592,220	\$ 639,556
Deposits in Treasurer's Pool (Less Outstanding Checks)	1,940,847	2,962,449	4,903,296
Investments	<u>36,782,613</u>	<u>56,143,825</u>	<u>92,926,438</u>
Net Position on June 30, 2018	<u>\$ 38,770,796</u>	<u>\$ 59,698,494</u>	<u>\$ 98,469,290</u>
Statement of Changes in Net Position			
Net Position on July 1, 2017	\$ 36,028,067	\$ 55,696,498	\$ 91,724,565
Net Changes in Investments by Pool Participants	<u>2,742,729</u>	<u>4,001,996</u>	<u>6,744,725</u>
Net Position on June 30, 2018	<u>\$ 38,770,796</u>	<u>\$ 59,698,494</u>	<u>\$ 98,469,290</u>

Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the County's investments at fair value as of June 30, 2018:

	<u>Fair Value Measurements</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level				
US Treasury Notes	\$ 18,297,902	\$ 18,297,902	\$ -	\$ -
Governmental Agencies	10,831,651	10,831,651	-	-
Commercial Paper	2,663,979	2,663,979	-	-
Asset-Backed Securities	2,204,833	2,204,833	-	-
Corporate Notes	11,822,403	11,822,403	-	-
Municipal Bond	577,940	577,940	-	-
Supranational Agency Notes	1,981,540	1,981,540	-	-
LAIF	10,129,746	-	10,129,746	-
Teeter Note	2,400,000	-	-	2,400,000
Total investments by fair value level	<u>\$ 60,909,994</u>	<u>\$ 48,380,248</u>	<u>\$ 10,129,746</u>	<u>\$ 2,400,000</u>
Investments measured at cost-basis				
Certificate of Deposit	\$ 8,689,179			
Investments measured at amortized cost				
CAMP	\$ 18,302,070			
Money Market Accounts	5,025,195			
Total Investments	<u>\$ 92,926,438</u>			

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018:

Due To Other Funds	Due From Other Funds	Amount
General Fund	Community Action Agency Fund	\$ 11,621
	Road Fund	1,135
	Mental Health Services Act Fund	755,212
	County Local Revenue 2011 Fund	2,207,424
	Other Governmental Funds	643,117
	Solid Waste Operating Fund	616
	Airport Fund	14
	Internal Service Funds	6,695
	Fiduciary Funds	602,375
		4,228,209
Community Action Agency Fund	General Fund	92,763
	Other Governmental Funds	769
	Solid Waste Operating Fund	6,868
	Airport Fund	6,868
	Fiduciary Funds	216
		107,484
Road Fund	General Fund	3,218
	Other Governmental Funds	31,627
	Solid Waste Operating Fund	22,871
	Airport Fund	16,187
	Fiduciary Funds	6,839
		80,742
Mental Health Service Act Fund	General Fund	38,406
County Local Revenue 2011 Fund	General Fund	9,247
	Fiduciary Funds	58
		9,305
Other Governmental Funds	General Fund	15,009
	Road Fund	908
	Other Governmental Funds	1,164
	Solid Waste Operating Fund	4,034
	Airport Fund	1,346
	Internal Service Funds	1,067
	Fiduciary Funds	32,942
		56,470
Subt-total carried over to next page		\$ 4,520,616

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 3: INTERFUND TRANSACTIONS (CONTINUED)

Due To/From Other Funds (Continued)

Due To Other Funds	Due From Other Funds	Amount
Sub-total carried over from previous page		<u>\$ 4,520,616</u>
Solid Waste Operating Fund	General Fund	392
	Road Fund	5
	Other Governmental Funds	4,700
	Airport Fund	65
	Internal Service Funds	21
	Fiduciary Funds	8,586
		<u>13,769</u>
Airport Fund	Other Governmental Funds	<u>213</u>
Internal Service Funds	General Fund	180,851
	Community Action Agency Fund	329
	Road Fund	232
	County Local Revenue 2011 Fund	28,623
	Other Governmental Funds	9,105
	Solid Waste Operating Fund	136
	Internal Service Funds	1,131
		<u>220,407</u>
Fiduciary Funds	General Fund	48,036
	Community Action Agency Fund	11
	Road Fund	67
	County Local Revenue 2011 Fund	10
	Other Governmental Funds	19,683
	Solid Waste Operating Fund	299
	Internal Service Funds	5
	Fiduciary Funds	1,888,538
		<u>1,956,649</u>
Total Due To/Due From Other Funds		<u>\$ 6,711,654</u>

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 3: INTERFUND TRANSACTIONS (CONTINUED)

Advances To/From Other Funds

Advances to/from other funds are noncurrent interfund loans and are offset by a nonspendable or restricted fund balance account, in applicable governmental funds, to indicate they are not in spendable form or they can only be spent for specific purposes. The following are advances to/from other funds as of June 30, 2018:

<u>Advances From Other Funds</u>	<u>Advances To Other Funds</u>	<u>Amount</u>
General Fund	Community Action Agency Fund	\$ 250,000
	Internal Service Funds	29,100
	Fiduciary Funds	3,500
		<u>282,600</u>
County Local Revenue 2011 Fund	General Fund	<u>1,175,000</u>
Other Governmental Funds	General Fund	<u>1,250,000</u>
Total		<u>\$ 2,707,600</u>

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, 2018:

<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Community Action Agency Fund	\$ 793,778	Transfer for County Operations
	County Local Revenue 2011 Fund	9,247	Transfer for County Operations
	Other Governmental Funds	145,097	Transfer for Debt Service
	Internal Service Funds	500,951	Transfer for County Operations
		<u>1,449,073</u>	
Community Action Agency Fund	General Fund	28,363	Transfer for Special Revenue Allocation
	Other Governmental Funds	5,731	Transfer for Debt Service
		<u>34,094</u>	
Mental Health Services Act Fund	General Fund	<u>3,252,128</u>	Transfer for Special Revenue Allocation
County Local Revenue 2011 Fund	General Fund	6,889,512	Transfer for Special Revenue Allocation
	Internal Service Funds	28,425	Transfer for County Operations
		<u>6,917,937</u>	
Other Governmental Funds	General Fund	420,457	Transfer for Special Revenue Allocation
	Community Action Agency Fund	865	Transfer for Special Revenue Allocation
	Other Governmental Funds	143,407	Transfer for Debt Service
		<u>564,729</u>	
Solid Waste Operating Fund	Community Action Agency Fund	12,501	Transfer for County Operations
	Other Governmental Funds	10,000	Transfer for County Operations
	Solid Waste Closure Fund	484,218	Transfer for Landfill Closure Costs
		<u>506,719</u>	
Airport Fund	Community Action Agency Fund	<u>12,501</u>	Transfer for County Operations
Total		<u>\$ 12,737,181</u>	

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 4: ACCOUNTS RECEIVABLE

Accounts Receivable for the County's individual major funds, nonmajor and internal service funds in the aggregate, for the fiscal year ended June 30, 2018, consisted of the following:

Activity Type	Accounts Receivable	Interest Receivable	Total
Governmental Activities:			
General Fund	\$ 49,794	\$ 50,592	\$ 100,386
Community Action Agency Fund	194,516	4,542	199,058
Road Fund	480,310	5,688	485,998
Mental Health Services Act Fund	-	15,437	15,437
County Local Revenue 2011 Fund	-	6,232	6,232
Other Governmental Funds	519	29,779	30,298
Internal Service Funds	8,723	8,716	17,439
	<u>\$ 733,862</u>	<u>\$ 120,986</u>	<u>\$ 854,848</u>
Business-Type Activities			
Solid Waste Operating Fund	\$ 134,059	\$ 22,131	\$ 156,190
Solid Waste Closure Fund	-	26,856	26,856
Airport Fund	29,776	2,446	32,222
	<u>\$ 163,835</u>	<u>\$ 51,433</u>	<u>\$ 215,268</u>

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 5: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2018
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 157,414	\$ -	\$ -	\$ -	\$ 157,414
Construction in Progress	5,104,615	1,383,649	-	(1,563,426)	4,924,838
Total Capital Assets, Not Being Depreciated	5,262,029	1,383,649	-	(1,563,426)	5,082,252
Capital Assets, Being Depreciated:					
Buildings and Improvements	18,235,537	17,686	-	20,084	18,273,307
Equipment	15,392,505	1,081,111	(196,534)	(6,571)	16,270,511
Infrastructure	42,318,958	-	-	1,543,342	43,862,300
Total Capital Assets, Being Depreciated	75,947,000	1,098,797	(196,534)	1,556,855	78,406,118
Less Accumulated Depreciation For:					
Buildings and Improvements	(9,126,393)	(400,949)	-	-	(9,527,342)
Equipment	(12,083,228)	(877,635)	196,534	6,571	(12,757,758)
Infrastructure	(20,296,805)	(1,093,342)	-	-	(21,390,147)
Total Accumulated Depreciation	(41,506,426)	(2,371,926)	196,534	6,571	(43,675,247)
Total Capital Assets, Being Depreciated, Net	34,440,574	(1,273,129)	-	1,563,426	34,730,871
Governmental Activities Capital Assets, Net	\$ 39,702,603	\$ 110,520	\$ -	\$ -	\$ 39,813,123
	Balance July 1, 2017	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2018
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,022,894	\$ -	\$ -	\$ -	\$ 1,022,894
Construction in Progress	920,683	824,041	-	(690,483)	1,054,241
Total Capital Assets, Not Being Depreciated	1,943,577	824,041	-	(690,483)	2,077,135
Capital Assets, Being Depreciated:					
Buildings and Improvements	1,649,648	-	-	690,483	2,340,131
Equipment	2,455,492	30,308	-	-	2,485,800
Total Capital Assets, Being Depreciated	4,105,140	30,308	-	690,483	4,825,931
Less Accumulated Depreciation For:					
Buildings and Improvements	(953,735)	(103,679)	-	-	(1,057,414)
Equipment	(2,386,663)	(16,580)	-	-	(2,403,243)
Total Accumulated Depreciation	(3,340,398)	(120,259)	-	-	(3,460,657)
Total Capital Assets, Being Depreciated, Net	764,742	(89,951)	-	690,483	1,365,274
Business-Type Activities Capital Assets, Net	\$ 2,708,319	\$ 734,090	\$ -	\$ -	\$ 3,442,409

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation expense was allocated to functions as follows:

Governmental Activities:

General Governmental	\$ 285,865
Public Protection	386,285
Public Ways and Facilities	1,256,226
Health and Sanitation	54,367
Public Assistance	70,587

Subtotal of Governmental funds	2,053,330
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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	318,596
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Total Depreciation Expense - Governmental Activities	<u>\$ 2,371,926</u>
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Business-Type Activities:

Solid Waste Operating Fund	\$ 14,892
Airport Fund	105,367

Total Depreciation Expense - Business-Type Activities	<u>\$ 120,259</u>
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NOTE 6: LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2018:

Type of Indebtedness	Balance July 1, 2017	Additions	Adjustments/ Retirements	Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities					
Certificates of Participation	\$ 2,370,000	\$ -	\$ (45,000)	\$ 2,325,000	\$ 45,000
Loans	546,450	-	-	546,450	-
Capital Leases	449,922	3,132,426	(203,074)	3,379,274	184,165
Compensated Absences	1,828,561	1,576,501	(1,614,730)	1,790,332	1,614,130
Net OPEB Obligation	16,728,229	820,418	28,821,445	46,370,092	-
Net Pension Liability	63,365,143	12,917,602	(3,973,597)	72,309,148	-
Total Governmental Activities	<u>\$ 85,288,305</u>	<u>\$ 18,446,947</u>	<u>\$ 22,985,044</u>	<u>\$ 126,720,296</u>	<u>\$ 1,843,295</u>
Business-Type Activities					
Capital Leases	\$ 162,087	\$ -	\$ (77,282)	\$ 84,805	\$ 84,805
Compensated Absences	32,174	16,397	(23,480)	25,091	23,480
Closure & Postclosure	13,895,529	-	629,017	14,524,546	-
Net OPEB Obligation	184,826	14,592	625,346	824,764	-
Net Pension Liability	602,042	341,587	(58,118)	885,511	-
Total Business-Type Activities	<u>\$ 14,876,658</u>	<u>\$ 372,576</u>	<u>\$ 1,095,483</u>	<u>\$ 16,344,717</u>	<u>\$ 108,285</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 liability for the certificates of participation is liquidated by the Education funds. The liability for the capital leases 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, 2018

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Long-term liabilities for the year ended June 30, 2018, 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. \$ 2,325,000

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, 2018, the County had drawn down \$546,450 and became liable for that amount. 546,450

Total Governmental Activities \$ 2,871,450

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

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 which have indefinite maturities.

Governmental Activities

Year Ended June 30	Certificates of Participation		
	Principal	Interest	Total
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	55,000	86,728	141,728
2024-2028	295,000	398,578	693,578
2029-2033	380,000	328,969	708,969
2034-2038	450,000	243,788	693,788
2039-2043	555,000	140,373	695,373
2044-2046	395,000	24,647	419,647
Total	\$ 2,325,000	\$ 1,590,930	\$ 3,915,930

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, 2018
Governmental Activities	1.89%- 4.90%	\$ 3,379,274
Business-Type Activities	5.00%	84,805
Total		\$ 3,464,079

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

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
Buildings and Improvements	515,000	-
Equipment	856,109	-
Less: Accumulated Depreciation	<u>(535,913)</u>	<u>-</u>
Net Book Value	<u>\$ 835,196</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, 2018:

Year Ended June 30	Governmental Activities	Business-Type Activities
2019	\$ 280,406	\$ 85,871
2020	320,305	-
2021	246,934	-
2022	228,935	-
2023	235,585	-
2024-2028	1,284,878	-
2029-2033	1,483,755	-
2034-2038	<u>157,039</u>	<u>-</u>
Total requirements	4,237,837	85,871
Less interest	<u>(858,563)</u>	<u>(1,066)</u>
Present Value of Remaining Payments	<u>\$ 3,379,274</u>	<u>\$ 84,805</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, 2018

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, 2018:

<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>
Closure	\$ 10,660,444		\$ 10,033,610	\$ 626,834		
Postclosure	4,771,500		4,490,936	280,564		
Total	\$ 15,431,944	94.12%	\$ 14,524,546	\$ 907,398	\$ 5,532,561	\$ (8,991,985)

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. The estimated remaining useful life of the landfill is 1 year.

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, 2018

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: <http://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, 2018, 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	22.35%	22.35%	
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	54.31%	16.84%	12.02%

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 7: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Employees Covered

At June 30, 2018, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees (or their beneficiaries) currently receiving benefits	572	55
Inactive employees entitled to but not yet receiving benefits	421	19
Active employees	404	22

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, 2017** using an annual actuarial valuation as of **June 30, 2016** rolled forward to **June 30, 2017** 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, 2016** actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous and Safety Plans</u>
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.50% (1)
Retirement Age	Derived using CalPERS' Experience Study (2)
Mortality	Derived using CalPERS' Experience Study (3)

- (1) Net of pension plan investment and administrative expenses, including inflation.
- (2) The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
- (3) The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 7: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.15% 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 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained 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 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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded down 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.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	47.00%	4.90%	5.38%
Fixed Income	19.00%	0.80%	2.27%
Inflation Assets	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%

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, 2018

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 and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation.

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, 2016	\$ 150,437,085	\$ 97,032,358	\$ 53,404,727
Changes in the year:			
Service Cost	3,257,223	-	3,257,223
Interest on Total Pension Liability	11,375,618	-	11,375,618
Changes of Assumptions	9,489,789	-	9,489,789
Differences between Expected and Actual Experience	(508,609)	-	(508,609)
Net Plan to Plan Resource Movement	-	(2,987)	2,987
Contributions from the Employer	-	4,031,714	(4,031,714)
Contributions from the Employees	-	1,553,328	(1,553,328)
Net Investment Income	-	10,934,973	(10,934,973)
Benefit Payments, including Refunds of Employee Contributions	(8,297,742)	(8,297,742)	-
Administrative Expense	-	(145,359)	145,359
Change in Proportion	2,201,548	1,420,005	781,543
Net Changes during 2016-17	<u>17,517,827</u>	<u>9,493,932</u>	<u>8,023,895</u>
Balance at June 30, 2017	<u>\$ 167,954,912</u>	<u>\$ 106,526,290</u>	<u>\$ 61,428,622</u>
Safety Cost Sharing Plans:	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016	\$ 28,457,080	\$ 17,894,622	\$ 10,562,458
Net Changes during 2016-17	2,454,504	1,250,925	1,203,579
Balance at June 30, 2017	<u>\$ 30,911,584</u>	<u>\$ 19,145,547</u>	<u>\$ 11,766,037</u>

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

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 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.15%) or 1% higher (8.15%) than the current rate.

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan's Net Pension Liability	\$ 84,289,833	\$ 61,428,622	\$ 42,596,937
Safety Plans' Net Pension Liability	13,060,211	11,766,037	5,199,633
Total	<u>\$ 97,350,044</u>	<u>\$ 73,194,659</u>	<u>\$ 47,796,570</u>

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

For the year ended June 30, 2018, the County recognized pension expense of \$12,081,927. The following table presents the deferred outflows and deferred inflows of resources related to pensions as of June 30, 2018:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 5,460,542	\$ -
Difference in Actual Contributions versus Proportionate Share of Contributions	1,129,300	-
Changes of Assumptions	7,635,727	100,445
Differences Between Expected and Actual Experience	432,307	362,610
Change in Proportion	2,701,304	131,859
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,665,654	-
Total	<u>\$ 19,024,834</u>	<u>\$ 594,914</u>

\$5,460,542 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, 2019. 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
2019	\$ 5,682,896
2020	6,859,222
2021	1,402,116
2022	(974,856)
Total	<u>\$ 12,969,378</u>

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

Plan Administration

Integrated medical and prescription drug coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA). Employees can choose one of four medical options: Blue Shield HMO, PERSCare PPO, PERSSelect PPO, PERSChoice, PPO; and a fifth option, PORAC, is also available to Peace Officers.

Benefits Provided

The County offers the same medical plans to its retirees as to its active employees, with the exception that once a retiree becomes eligible for Medicare (that is, he/she reaches age 65), he/she must join a Medicare HMO or a Medicare Supplement plan under PEMHCA. Dental and vision coverage are not paid by the County for its retirees. The County also pays a 0.32% of premium administrative charge for all retirees.

Employees become eligible to retire and receive County-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by qualifying for disability retirement status. Benefits are paid for the lifetime of the retiree. The County's contribution on behalf of eligible retirees is determined under the "Unequal Contribution Method" as described below.

Unequal Contribution Method

The County's contribution on behalf of each annuitant is adjusted annually by increasing it to an amount equal to 5% of employer's contribution on behalf of active employees, multiplied by the number of years the employer has participated in PEMHCA, to a maximum of 100% of the employer's contribution for active employees. The County has now participated in PEMHCA for 24 years, so the maximum of 100% has been reached. The County's 2016 maximum monthly contributions for eligible retirees are shown in the following table:

<u>Retiree Group</u>	<u>One Party</u>	<u>Two Party</u>	<u>Family</u>
Non-Represented	\$ 791.95	\$ 1,277.31	\$ 1,542.73
GC Deputy Sheriff's Association	791.95	1,277.31	1,542.73
GC Peace Officer's Association	716.01	1,432.03	1,861.63
GC General Unit	791.95	1,277.31	1,542.73
GC Mid-Manager's Association	791.95	1,277.31	1,542.73

Employees Covered

As of the July 1, 2016 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active Plan Members	279
Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	236
Inactive Plan Members or Beneficiaries Entitled to, But Not Yet Receiving Benefits	-
Total	515

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Contributions

The County's OPEB plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the County's Board of Supervisors and the bargaining units. The County currently finances benefits on a pay-as-you-go basis. For the fiscal year ended June 30, 2018, the OPEB plan's pay-as-you-go contributions were \$2,049,467 made from sources outside of a trust, plus an implied subsidy amount of \$135,265; resulting in total benefit payments of \$2,184,732.

Net OPEB Liability

The County's net OPEB liability as measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2016. Standard actuarial update procedures were used to project/discount from the valuation to the measurement date.

The total OPEB liability was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.62%
Inflation Rate	2.50%
Salary Increases	3.00%
Investment Rate of Return	3.62%
Mortality Rate	Derived using Mortality Tables for Males or Females (1)
Healthcare Costs Trend Rate	6.00% for 2016; 5.00 % for 2017, and later years

(1) Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection.

Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2016 actuarial valuation were based on a review of plan experience during the period July 1, 2014 to June 30, 2016.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.62%. GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments: To the extent that the OPEB plan's fiduciary net position, if any, is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return. The long-term expected rate of return on plan investments, if any, as of the reporting date was 4.00%.
- b) A yield or index rate for 20 years, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in a) above are not met. The 20-year municipal bond high grade rate index as of the reporting date was 3.62%.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position, if any, and the amount of projected benefit payments is compared in each period of projected benefit payments.

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the OPEB Liability

The changes in the net OPEB liability as of June 30, 2018, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2017 (Valuation Date: July 1, 2016)	\$ 46,359,846	\$ -	\$ 46,359,846
Changes in the year:			
Service Cost	1,380,708	-	1,380,708
Interest	1,639,034	-	1,639,034
Contributions from the Employer	-	2,184,732	(2,184,732)
Benefit Payments ¹	(2,184,732)	(2,184,732)	-
Net Changes during 2017-18	835,010	-	835,010
Balance at June 30, 2018 (Measurement Date: June 30, 2018)	\$ 47,194,856	\$ -	\$ 47,194,856

¹ Amount includes an implicit subsidy amount of \$135,265.

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.62%) or 1% higher (4.62%) than the current discount rate.

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
Net OPEB Liability	\$ 54,346,622	\$ 47,194,856	\$ 41,349,426

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.00% decreasing to 4.00%) or 1% higher (7.00% decreasing to 6.00%) than the current healthcare cost trend rates:

	1% Decrease (5.00% decreasing to 4.00%)	Current Healthcare Cost Trend Rates (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB Liability	\$ 40,947,014	\$ 47,194,856	\$ 53,798,857

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the OPEB plan recognized OPEB expense of \$3,019,742. Because the County finances benefits on a pay-as-you-go basis, the OPEB plan did not report any deferred outflows and deferred inflows of resources as of June 30, 2018.

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 nonmajor governmental funds as of June 30, 2018, were distributed as follows:

	General Fund	Community Action Agency Fund	Road Fund	Mental Health Services Act Fund	County Local Revenue 2011 Fund	Other Governmental Funds	Total
Nonspendable:							
Prepaid Items	\$ 181,340	\$ 1,603	\$ 867	\$ -	\$ 332	\$ 10,545	\$ 194,687
Inventory	-	27,236	95,810	-	-	6,566	129,612
Advances to Other Funds	282,600	-	-	-	-	-	282,600
Total Nonspendable	463,940	28,839	96,677	-	332	17,111	606,899
Restricted:							
General Government	585,164	-	-	-	-	304,964	890,128
Public Protection	96,407	-	-	-	3,577,171	2,820,484	6,494,062
Public Ways and Facilities	-	-	1,617,500	-	-	-	1,617,500
Health and Sanitation	-	-	-	3,118,821	876,719	1,681,234	5,676,774
Public Assistance	-	3,067,694	-	-	1,151,022	1,006,511	5,225,227
Education	-	-	-	-	-	706,949	706,949
Capital Projects	-	-	-	-	-	3,641,460	3,641,460
Debt Service	-	-	-	-	-	105,419	105,419
Total Restricted	681,571	3,067,694	1,617,500	3,118,821	5,604,912	10,267,021	24,357,519
Committed:							
General Government	56,732	-	-	-	-	-	56,732
Public Protection	34,181	-	-	-	-	-	34,181
Total Committed	90,913	-	-	-	-	-	90,913
Unassigned	2,875,132	-	-	-	-	(23,436)	2,851,696
Total Fund Balances	\$ 4,111,556	\$ 3,096,533	\$ 1,714,177	\$ 3,118,821	\$ 5,605,244	\$ 10,260,696	\$ 27,907,027

NOTE 10: CONTINGENCIES

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

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

COUNTY OF GLENN

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 11: 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 JPA as described in Note 1 to the financial statements. The agreement for the formation of the Golden State JPA provides that the Golden State JPA will be self-sustaining through member premiums and will reinsure through a commercial company for claims in excess of the self-insured retention amounts. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years and there have been no reductions in insurance coverage from the prior year.

The County is self-insured for General and Automobile claims for the first \$250,000 with the Golden State JPA and insured with CSAC Excess Insurance Authority for the next \$750,000. The County is self-insured for Worker's Compensation claims for the first \$300,000 with the Golden State JPA and insured with CSAC Excess Insurance Authority up to the statutory limits. The County is self-insured for Crime-related claims for the first \$25,000 with the Golden State JPA, with a \$2,500 deductible, and insured with CSAC Excess Insurance Authority for the next \$9,975,000. Additionally, the County is self-insured for property claims for the first \$25,000, with a deductible of \$25,000, and insured with CSAC Excess Insurance Authority for the next \$24,975,000.

NOTE 12: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Fund/Net Deficit

The Public Ways & Facilities fund had a fund deficit at June 30, 2018 of (\$14,392). This fund deficit will be eliminated through additional charges expected to be billed during fiscal year 2018-19.

The Solid Waste Closure fund had a net deficit at June 30, 2018 of (\$8,965,129). This net deficit is expected to be eliminated through future additional funding for the closure/post-closure liability.

NOTE 13: SUBSEQUENT EVENTS

On June 1, 2018, the County entered into a lease agreement with Public Property Financing Corporation for the financing of the County's energy conservation improvement and solar energy project in the amount of \$3,132,426. The capital lease liability has been recorded in the government-wide financial statements as of June 30, 2018. Improvements to the County's facilities and the installation of the solar panels are expected to be completed in March 2019.

NOTE 14: RESTATEMENT OF NET POSITION

During the fiscal year ended June 30, 2018, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which establishes accounting and financial reporting for defined benefit OPEB plans that are provided to the employees of state and local governmental employers. As a result, net position was restated to accurately reflect the change. The governmental activities beginning net deficit increased by \$28,821,444, and the business-type activities beginning net deficit also increased by \$625,346 due to the recording of each Fund's proportionate share of the net OPEB obligation.



REQUIRED SUPPLEMENTARY INFORMATION



COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

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

Miscellaneous Plans:

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

Last 10 Years*

Mesurement Period	2014	2015	2016	2017
TOTAL PENSION LIABILITY				
Service Cost	\$ 2,700,013	\$ 2,467,936	\$ 2,758,567	\$ 3,257,223
Interest on Total Pension Liability	8,997,458	9,359,668	10,870,635	11,375,618
Changes of Assumptions	-	(2,281,948)	-	9,489,789
Difference Between Expected and Actual Experience	-	(691,571)	1,086,211	(508,609)
Benefit Payments, Including Refunds of Employee Contributions	(5,946,120)	(6,504,699)	(7,825,301)	(8,297,742)
Change in Proportion	-	-	13,857,069	2,201,548
Net Change in Total Pension Liability	5,751,351	2,349,386	20,747,181	17,517,827
Total Pension Liability - Beginning	121,589,167	127,340,518	129,689,904	150,437,085
Total Pension Liability - Ending	\$ 127,340,518	\$ 129,689,904	\$ 150,437,085	\$ 167,954,912
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 2,639,570	\$ 2,746,803	\$ 3,461,572	\$ 4,031,714
Contributions - Employee	1,286,424	1,332,964	1,426,302	1,553,328
Net Investment Income	13,571,107	2,024,434	510,657	10,934,973
Benefit Payments, Including Refunds of Employee Contributions	(5,946,120)	(6,504,699)	(7,825,301)	(8,297,742)
Plan to Plan Resource Movement	-	(564)	1,414	(2,987)
Administrative Expense	-	(101,173)	(60,653)	(145,359)
Change in Proportion	-	-	9,606,842	1,420,005
Net Change in Plan Fiduciary Net Position	11,550,981	(502,235)	7,120,833	9,493,932
Total Fiduciary Net Position - Beginning	78,862,779	90,413,760	89,911,525	97,032,358
Total Fiduciary Net Position - Ending	90,413,760	89,911,525	97,032,358	106,526,290
Net Pension Liability - Ending	\$ 36,926,758	\$ 39,778,379	\$ 53,404,727	\$ 61,428,622
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.00%	69.33%	64.50%	63.43%
Covered Payroll	17,081,126	16,434,280	18,751,730	20,111,281
Net Pension Liability as a Percentage of Covered Employee Payroll	216.18%	242.05%	284.80%	305.44%

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, 2016 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 2017, the accounting discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.50% discount rate.

COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

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

Schedule of Plan Contributions – Miscellaneous Plans

Last 10 Years*

Fiscal Year End	2015	2016	2017	2018
Actuarially-Determined Contribution	\$ 2,639,570	\$ 2,746,803	\$ 3,461,572	\$ 4,031,714
Contributions in Relation to the Actuarially-Determined Contribution	(2,639,570)	(2,746,803)	(3,461,572)	(4,031,714)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 18,012,620	\$ 17,805,717	\$ 18,688,366	\$ 19,252,570
Contributions as a Percentage of Covered Payroll	14.65%	15.43%	18.52%	20.94%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially-determined contribution for fiscal year 2016-17 were from the June 30, 2014 actuarial valuation.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2014 Funding Valuation Report
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2014 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 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

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

Safety Cost-Sharing Plans:

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

Last 10 Years*

	2014	2015	2016	2017
Portion of the Net Pension Liability	0.13312%	0.15158%	0.15008%	0.14619%
Proportionate Share of the Net Pension Liability	\$ 8,283,504	\$ 9,100,130	\$ 10,562,458	\$ 11,766,037
Covered Payroll	\$ 1,968,330	\$ 1,836,646	\$ 1,777,320	\$ 1,755,969
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	420.84%	495.48%	594.29%	670.06%
Proportionate Share of the Fiduciary Net Position	\$ 19,151,673	\$ 18,384,467	\$ 17,894,622	\$ 19,145,547
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.81%	66.89%	62.88%	61.94%

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, 2016 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 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

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

Schedule of Plan Contributions – Safety Cost Sharing Plans

Last 10 Years*

<u>Fiscal Year End</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially-Determined Contribution	\$ 625,871	\$ 838,331	\$ 889,109	\$ 949,583
Contributions in Relation to the Actuarially-Determined Contribution	(625,871)	(838,331)	(889,109)	(949,583)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,042,304	\$ 1,068,267	\$ 1,123,323	\$ 1,096,833
Contributions as a Percentage of Covered Payroll	60.05%	78.48%	79.15%	86.57%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially-determined contribution for fiscal year 2016-17 were from the June 30, 2014 actuarial valuation.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2014 Funding Valuation Report
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2014 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 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

2. SOURCES OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

Schedule of Changes in the Net OPEB Liability and Related Ratios

Measurement Period	2018
TOTAL OPEB LIABILITY	
Service Cost	\$ 1,380,708
Interest on Total OPEB Liability	1,639,034
Benefit Payments	<u>(2,184,732)</u>
Net Change in Total OPEB Liability	835,010
Total OPEB Liability - Beginning	<u>46,359,846</u>
Total Pension Liability - Ending	<u><u>\$ 47,194,856</u></u>
 PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 2,184,732
Benefit Payments	<u>(2,184,732)</u>
Net Change in Plan Fiduciary Net Position	-
Total Fiduciary Net Position - Beginning	<u>-</u>
Total Fiduciary Net Position - Ending	<u>-</u>
 Net OPEB Liability - Ending	<u><u>\$ 47,194,856</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%
Covered Payroll	16,906,587
Net OPEB Liability as a Percentage of Covered Employee Payroll	279.15%

Notes to Schedule:

*Fiscal year 2017-18, with a measurement date of June 30, 2018, was the first year of implementation of GASB 75, therefore fiscal years 2017-18 and after will be presented.

COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

2. SOURCES OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (CONTINUED)

Schedule of Plan Contributions

Fiscal Year End	2018
Actuarially-Determined Contribution	\$ 2,184,732
Contributions in Relation to the Actuarially-Determined Contribution	(2,184,732)
Contribution Deficiency (Excess)	<u>\$ -</u>
 Covered Payroll	 \$ 16,906,587
 Contributions as a percentage of covered payroll	 12.92%

The actuarial methods and assumptions used to set the actuarially-determined contribution for fiscal year 2017-18 were from the June 30, 2018 actuarial valuation.

Actuarial Cost Method	Entry Age, Level Percent of Pay
Amortization Method/Period	30-year level percent of pay, open period
Inflation Factor	2.75%
Salary Increases	3.00%
Mortality	Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate,
Healthcare Costs Trend Rate	6.00% for 2016; 5.00 % for 2017, and later years

COUNTY OF GLENN

Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

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 Recommended budget and an Adopted budget for each fiscal year on or before June 30 and October 2, respectively. Budgeted expenditures are enacted into law through the passage of an appropriation ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

The 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 funds and use of reserves require Board approval. During the year ended June 30, 2018, 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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 11,346,500	\$ 11,387,500	\$ 12,014,553	\$ 627,053
Licenses, Permits, and Franchises	1,197,198	1,197,198	1,108,073	(89,125)
Fines, Forfeitures and Penalties	1,525,784	1,602,454	1,199,106	(403,348)
Use of Money and Property	87,623	87,623	134,370	46,747
Aid from Other Governments	33,744,793	33,593,490	28,468,424	(5,125,066)
Charges for Services	9,250,244	9,279,203	9,155,959	(123,244)
Other	1,157,922	1,277,476	743,090	(534,386)
Total Revenues	<u>58,310,064</u>	<u>58,424,944</u>	<u>52,823,575</u>	<u>(5,601,369)</u>
EXPENDITURES				
Current:				
General Government	6,175,376	6,239,179	5,579,559	659,620
Public Protection	21,219,327	21,550,785	19,368,469	2,182,316
Health and Sanitation	17,627,748	17,748,649	15,924,372	1,824,277
Public Assistance	21,086,187	21,240,865	19,058,732	2,182,133
Education	419,898	434,898	429,631	5,267
Capital Outlay	950,483	1,003,920	166,681	837,239
Debt Service:				
Interest and Other Charges	9,000	23,550	25,151	(1,601)
Total Expenditures	<u>67,488,019</u>	<u>68,241,846</u>	<u>60,552,595</u>	<u>7,689,251</u>
Deficiency of Revenues Over Expenditures	<u>(9,177,955)</u>	<u>(9,816,902)</u>	<u>(7,729,020)</u>	<u>2,087,882</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	27,318,919	28,269,591	10,590,460	(17,679,131)
Transfers out	(16,692,579)	(17,366,913)	(1,449,073)	15,917,840
Total Other Financing Sources	<u>10,626,340</u>	<u>10,902,678</u>	<u>9,141,387</u>	<u>(1,761,291)</u>
Net Change in Fund Balances	<u>1,448,385</u>	<u>1,085,776</u>	<u>1,412,367</u>	<u>326,591</u>
Fund Balances - Beginning	<u>2,699,189</u>	<u>2,699,189</u>	<u>2,699,189</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,147,574</u>	<u>\$ 3,784,965</u>	<u>\$ 4,111,556</u>	<u>\$ 326,591</u>

COUNTY OF GLENN

Required Supplementary Information
 Budgetary Comparison Schedule
 Community Action Agency Fund
 For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Use of Money and Property	\$ 7,750	\$ 7,750	\$ 16,880	\$ 9,130
Aid from Other Governments	2,029,214	2,152,133	1,741,202	(410,931)
Charges for Services	14,211	14,211	70,451	56,240
Other	3,205	3,205	2,496	(709)
Total Revenues	<u>2,054,380</u>	<u>2,177,299</u>	<u>1,831,029</u>	<u>(346,270)</u>
EXPENDITURES				
Current:				
Public Assistance	2,823,096	2,948,056	2,576,191	371,865
Deficiency of Revenues Over Expenditures	<u>(768,716)</u>	<u>(770,757)</u>	<u>(745,162)</u>	<u>25,595</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,959,288	2,983,548	819,645	(2,163,903)
Transfers out	(2,099,391)	(2,126,152)	(34,094)	2,092,058
Total Other Financing Sources	<u>859,897</u>	<u>857,396</u>	<u>785,551</u>	<u>(71,845)</u>
Net Change in Fund Balances	<u>91,181</u>	<u>86,639</u>	<u>40,389</u>	<u>(46,250)</u>
Fund Balances - Beginning	<u>3,056,144</u>	<u>3,056,144</u>	<u>3,056,144</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,147,325</u>	<u>\$ 3,142,783</u>	<u>\$ 3,096,533</u>	<u>\$ (46,250)</u>

COUNTY OF GLENN

Required Supplementary Information
Budgetary Comparison Schedule
Road Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Licenses, Permits, and Franchises	\$ 21,000	\$ 21,000	\$ 18,098	\$ (2,902)
Use of Money and Property	10,500	10,500	14,971	4,471
Aid from Other Governments	12,112,753	12,112,753	4,137,898	(7,974,855)
Charges for Services	273,942	273,942	577,096	303,154
Other	4,575	4,575	5,133	558
Total Revenues	<u>12,422,770</u>	<u>12,422,770</u>	<u>4,753,196</u>	<u>(7,669,574)</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	13,462,270	13,463,267	3,719,276	9,743,991
Capital Outlay	505,000	505,000	1,383,649	(878,649)
Total Expenditures	<u>13,967,270</u>	<u>13,968,267</u>	<u>5,102,925</u>	<u>8,865,342</u>
Deficiency of Revenues Over Expenditures	<u>(1,544,500)</u>	<u>(1,545,497)</u>	<u>(349,729)</u>	<u>1,195,768</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,862,317	1,862,317	-	(1,862,317)
Transfers out	(1,862,317)	(1,862,317)	-	1,862,317
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,544,500)</u>	<u>(1,545,497)</u>	<u>(349,729)</u>	<u>1,195,768</u>
Fund Balances - Beginning	<u>2,063,906</u>	<u>2,063,906</u>	<u>2,063,906</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 519,406</u>	<u>\$ 518,409</u>	<u>\$ 1,714,177</u>	<u>\$ 1,195,768</u>

COUNTY OF GLENN

Required Supplementary Information
 Budgetary Comparison Schedule
 Mental Health Services Act Fund
 For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 34,689	\$ 34,689
Aid from Other Governments	3,709,645	3,709,645	6,258,142	2,548,497
Total Revenues	<u>3,709,645</u>	<u>3,709,645</u>	<u>6,292,831</u>	<u>2,583,186</u>
EXPENDITURES				
Current:				
Health and Sanitation	10,391	10,391	10,391	-
Excess of Revenues Over Expenditures	<u>3,699,254</u>	<u>3,699,254</u>	<u>6,282,440</u>	<u>2,583,186</u>
OTHER FINANCING USES				
Transfers out	(3,699,254)	(3,699,254)	(3,252,128)	447,126
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>3,030,312</u>	<u>3,030,312</u>
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>\$ 3,118,821</u>	<u>\$ 3,030,312</u>

COUNTY OF GLENN

Required Supplementary Information
 Budgetary Comparison Schedule
 County Local Revenue 2011 Fund
 For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 13,431	\$ 13,431
Aid from Other Governments	6,942,197	7,408,092	8,534,093	1,126,001
Other	666	666	20,927	20,261
Total Revenues	<u>6,942,863</u>	<u>7,408,758</u>	<u>8,568,451</u>	<u>1,159,693</u>
EXPENDITURES				
Current:				
Public Protection	1,559,448	1,743,440	1,529,600	213,840
Capital Outlay	7,500	7,350	-	7,350
Total Expenditures	<u>1,566,948</u>	<u>1,750,790</u>	<u>1,529,600</u>	<u>221,190</u>
Excess of Revenues Over Expenditures	<u>5,375,915</u>	<u>5,657,968</u>	<u>7,038,851</u>	<u>1,380,883</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	9,247	9,247	-
Transfers out	(6,846,893)	(7,788,557)	(6,917,937)	870,620
Total Other Financing Sources (Uses)	<u>(6,846,893)</u>	<u>(7,779,310)</u>	<u>(6,908,690)</u>	<u>870,620</u>
Net Change in Fund Balances	<u>(1,470,978)</u>	<u>(2,121,342)</u>	<u>130,161</u>	<u>2,251,503</u>
Fund Balances - Beginning	<u>5,475,083</u>	<u>5,475,083</u>	<u>5,475,083</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,004,105</u>	<u>\$ 3,353,741</u>	<u>\$ 5,605,244</u>	<u>\$ 2,251,503</u>



SUPPLEMENTARY INFORMATION





**NONMAJOR GOVERNMENTAL FUNDS
COMBINING FINANCIAL STATEMENTS**



COUNTY OF GLENN

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

❖ General Governmental Funds

The General Governmental Funds group includes: Cal Boat Launching, Title III Forest Reserves, Advertising County Resources, ADA Capital Improvements, Central Services – Facilities Division, and the Central Services – Fleet Division funds.

❖ Public Protection Funds

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

❖ Public Ways & Facilities Fund

The Public Ways & Facilities Funds group consists of the Public Works Agency fund.

❖ 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, Social Services, Delinquency Prevention, & SSD Family Support, Children's Trust, and the California Children's Trust Services funds.

❖ Education Funds

The Education Funds group includes the Superintendent of Schools and related educational 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, Wood Smoke, 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
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds				
	General Governmental Funds	Public Protection Funds	Public Ways & Facilities Fund	Health & Sanitation Funds	Public Assistance Funds
ASSETS					
Cash and Investments	\$ 351,111	\$ 708,697	\$ 47,198	\$ 945,072	\$ 643,322
Due from Other Funds	10,306	2,175	9,319	3,492	4,724
Accounts Receivable	1,737	2,484	44	5,070	6,227
Due from Other Governments	-	-	-	139,692	348,758
Prepaid Items	-	-	9,044	-	1,045
Inventory	-	6,566	-	-	-
Advances to Other Funds	-	-	-	750,000	500,000
Total Assets	\$ 363,154	\$ 719,922	\$ 65,605	\$ 1,843,326	\$ 1,504,076
LIABILITIES					
Due to Other Funds	\$ 7,496	\$ 42,428	\$ 52,676	\$ 161,866	\$ 443,972
Accounts Payable	6,855	78,917	706	226	5,567
Accrued Salaries and Benefits	43,839	-	26,615	-	-
Deposits Payable	-	9,918	-	-	-
Total Liabilities	58,190	131,263	79,997	162,092	449,539
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	46,981
FUND BALANCES					
Nonspendable	-	6,566	9,044	-	1,045
Restricted	304,964	582,093	-	1,681,234	1,006,511
Unassigned	-	-	(23,436)	-	-
Total Fund Balances	304,964	588,659	(14,392)	1,681,234	1,007,556
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 363,154	\$ 719,922	\$ 65,605	\$ 1,843,326	\$ 1,504,076

COUNTY OF GLENN

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds				Total
	Education Funds	Special Districts Governed by the Board of Supervisors Funds	Capital Projects Funds	Debt Service Fund	
ASSETS					
Cash and Investments	\$ 692,530	\$ 2,208,539	\$ 3,640,319	\$ 105,419	\$ 9,342,207
Due from Other Funds	11,160	15,294	-	-	56,470
Accounts Receivable	3,259	9,553	1,924	-	30,298
Due from Other Governments	-	154,553	-	-	643,003
Prepaid Items	-	456	-	-	10,545
Inventory	-	-	-	-	6,566
Advances to Other Funds	-	-	-	-	1,250,000
Total Assets	\$ 706,949	\$ 2,388,395	\$ 3,642,243	\$ 105,419	\$ 11,339,089
LIABILITIES					
Due to Other Funds	\$ -	\$ 1,940	\$ -	\$ -	\$ 710,378
Accounts Payable	-	39,473	783	-	132,527
Accrued Salaries and Benefits	-	21,082	-	-	91,536
Deposits Payable	-	-	-	-	9,918
Total Liabilities	-	62,495	783	-	944,359
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	87,053	-	-	134,034
FUND BALANCES					
Nonspendable	-	456	-	-	17,111
Restricted	706,949	2,238,391	3,641,460	105,419	10,267,021
Unassigned	-	-	-	-	(23,436)
Total Fund Balances	706,949	2,238,847	3,641,460	105,419	\$ 10,260,696
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 706,949	\$ 2,388,395	\$ 3,642,243	\$ 105,419	\$ 11,339,089

COUNTY OF GLENN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds				
	General Governmental Funds	Public Protection Funds	Public Ways & Facilities Fund	Health & Sanitation Funds	Public Assistance Funds
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	17,162	180,271	-	-	-
Fines, Forfeitures, and Penalties	105	5,155	-	723	20
Use of Money and Property	3,291	5,282	-	18,998	13,264
Aid from Other Governments	22,039	274,161	-	1,041,593	4,420,528
Charges for Services	1,313,875	225,017	646,496	218,632	7,605
Other	3,434	1,320	433	-	92
Total Revenues	1,359,906	691,206	646,929	1,279,946	4,441,509
EXPENDITURES					
Current:					
General Government	1,375,350	-	-	-	-
Public Protection	-	687,427	-	-	-
Public Ways and Facilities	31,182	-	702,244	-	-
Health and Sanitation	-	-	-	1,128,943	-
Public Assistance	-	-	-	-	4,091,043
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Total Expenditures	1,406,532	687,427	702,244	1,128,943	4,091,043
Excess (Deficiency) of Revenues Over Expenditures	(46,626)	3,779	(55,315)	151,003	350,466
OTHER FINANCING SOURCES (USES)					
Capital Leases	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Transfers in	10,999	-	-	-	-
Transfers out	-	(54,883)	-	(127,993)	(230,859)
Total Other Financing Sources (Uses)	10,999	(54,883)	-	(127,993)	(230,859)
Net Change in Fund Balances	(35,627)	(51,104)	(55,315)	23,010	119,607
Fund Balances - Beginning	340,591	639,763	40,923	1,658,224	887,949
Fund Balances (Deficit) - Ending	\$ 304,964	\$ 588,659	\$ (14,392)	\$ 1,681,234	\$ 1,007,556

COUNTY OF GLENN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Nonmajor Governmental Funds
 For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds				Total
	Education Funds	Special Districts Governed by the Board of Supervisors Funds	Capital Projects Funds	Debt Service Fund	
REVENUES					
Taxes	\$ 199,962	\$ 164,774	\$ -	\$ -	\$ 364,736
Licenses, Permits, and Franchises	-	159,053	-	-	356,486
Fines, Forfeitures, and Penalties	-	12,959	-	-	18,962
Use of Money and Property	7,161	18,926	2,091	-	69,013
Aid from Other Governments	2,313	1,198,087	-	-	6,958,721
Charges for Services	-	609,146	-	-	3,020,771
Other	-	1,755	-	-	7,034
Total Revenues	209,436	2,164,700	2,091	-	10,795,723
EXPENDITURES					
Current:					
General Government	-	-	51,263	-	1,426,613
Public Protection	-	1,531,132	-	-	2,218,559
Public Ways and Facilities	-	-	-	-	733,426
Health and Sanitation	-	-	-	-	1,128,943
Public Assistance	-	-	-	-	4,091,043
Capital Outlay	-	20,286	-	-	20,286
Debt Service:					
Principal	-	62,089	-	185,985	248,074
Interest and Other Charges	-	1,495	-	107,253	108,748
Total Expenditures	-	1,615,002	51,263	293,238	9,975,692
Excess (Deficiency) of Revenues Over Expenditures	209,436	549,698	(49,172)	(293,238)	820,031
OTHER FINANCING SOURCES (USES)					
Proceeds from Capital Leases	-	-	3,086,977	45,449	3,132,426
Sale of Capital Assets	-	3,100	-	-	3,100
Transfers in	-	-	-	293,238	304,237
Transfers out	(141,834)	(9,160)	-	-	(564,729)
Total Other Financing Sources (Uses)	(141,834)	(6,060)	3,086,977	338,687	2,875,034
Net Change in Fund Balances	67,602	543,638	3,037,805	45,449	3,695,065
Fund Balances - Beginning	639,347	1,695,209	603,655	59,970	6,565,631
Fund Balances (Deficit) - Ending	\$ 706,949	\$ 2,238,847	\$ 3,641,460	\$ 105,419	10,260,696

COUNTY OF GLENN

Budgetary Comparison Schedule
Special Service Revenue Funds
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 352,310	\$ 352,310	\$ 364,736	\$ 12,426
Licenses, Permits, and Franchises	409,695	409,695	356,486	(53,209)
Fines, Forfeitures, and Penalties	13,520	13,520	18,962	5,442
Use of Money and Property	8,083	8,083	66,922	58,839
Aid from Other Governments	6,772,324	7,751,786	6,958,721	(793,065)
Charges for Services	2,275,608	3,609,758	3,020,771	(588,987)
Other	1,345,066	6,844	7,034	190
Total Revenues	11,176,606	12,151,996	10,793,632	(1,358,364)
EXPENDITURES				
Current:				
General Government	94,700	1,439,086	1,375,350	63,736
Public Protection	2,586,950	2,882,661	2,218,559	664,102
Public Ways and Facilities	2,477,073	1,132,203	733,426	398,777
Health and Sanitation	1,262,042	1,261,042	1,128,943	132,099
Public Assistance	3,670,526	4,479,141	4,091,043	388,098
Capital Outlay	767,590	767,590	20,286	747,304
Debt Service:				
Principal	62,501	62,501	62,089	412
Interest and Other Charges	4,825	5,125	1,495	3,630
Total Expenditures	10,926,207	12,029,349	9,631,191	2,398,158
Excess of Revenues Over Expenditures	250,399	122,647	1,162,441	1,039,794
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	3,100	3,100
Transfers in	142,625	145,125	10,999	(134,126)
Transfers out	(979,481)	(975,589)	(564,729)	410,860
Total Other Financing Uses	(836,856)	(830,464)	(550,630)	279,834
Net Change in Fund Balances	(586,457)	(707,817)	611,811	1,319,628
Fund Balances - Beginning	5,902,005	5,902,005	5,902,005	-
Fund Balances - Ending	\$ 5,315,548	\$ 5,194,188	\$ 6,513,816	\$ 1,319,628

COUNTY OF GLENN

Budgetary Comparison Schedule
 Capital Projects Funds
 For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Use of Money and Property	\$ 50	\$ 50	\$ 2,091	\$ 2,041
EXPENDITURES				
Current:				
General Government	-	51,263	51,263	-
Excess (Deficiency) of Revenues Over Expenditures	<u>50</u>	<u>(51,213)</u>	<u>(49,172)</u>	<u>2,041</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Capital Leases	-	51,263	3,086,977	3,035,714
Transfers out	(591,832)	(591,832)	-	591,832
Total Other Financing Sources (Uses)	<u>(591,832)</u>	<u>(540,569)</u>	<u>3,086,977</u>	<u>3,627,546</u>
Net Change in Fund Balances	<u>(591,782)</u>	<u>(591,782)</u>	<u>3,037,805</u>	<u>3,629,587</u>
Fund Balances - Beginning	<u>603,655</u>	<u>603,655</u>	<u>603,655</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 11,873</u>	<u>\$ 11,873</u>	<u>\$ 3,641,460</u>	<u>\$ 3,629,587</u>

COUNTY OF GLENN

Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Debt Service:				
Principal	\$ 185,984	\$ 185,983	\$ 185,985	\$ (2)
Interest and Other Charges	111,026	111,027	107,253	3,774
Total Expenditures	<u>297,010</u>	<u>297,010</u>	<u>293,238</u>	<u>3,772</u>
Deficiency of Revenues Over Expenditures	<u>(297,010)</u>	<u>(297,010)</u>	<u>(293,238)</u>	<u>3,772</u>
OTHER FINANCING SOURCES				
Proceeds from Capital Leases	-	-	45,449	45,449
Transfers in	297,010	297,010	293,238	(3,772)
Total Other Financing Sources	<u>297,010</u>	<u>297,010</u>	<u>338,687</u>	<u>41,677</u>
Net Change in Fund Balances	-	-	45,449	45,449
Fund Balances - Beginning	<u>59,970</u>	<u>59,970</u>	<u>59,970</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 59,970</u>	<u>\$ 59,970</u>	<u>\$ 105,419</u>	<u>\$ 45,449</u>



COUNTY OF GLENN
INTERNAL SERVICE FUNDS

Internal Service Funds (ISF) are established to account for the goods or services provided by one County department or agency to other departments or agencies of the County, or to other local governments, 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, 2018

	<u>Fleet & Service Center</u>	<u>County Facilities</u>	<u>County Services</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and Investments	\$ 1,131,218	\$ 355,432	\$ 47,804	\$ 1,534,454
Due from Other Funds	171,828	11,066	37,513	220,407
Accounts Receivable	14,232	2,095	1,112	17,439
Prepaid Expenses	2,624	1,022	-	3,646
Inventory	17,110	-	-	17,110
Total Current Assets	<u>1,337,012</u>	<u>369,615</u>	<u>86,429</u>	<u>1,793,056</u>
Noncurrent Assets:				
Capital Assets:				
Depreciable, Net	1,765,078	14,847	204,054	1,983,979
Total Assets	<u>3,102,090</u>	<u>384,462</u>	<u>290,483</u>	<u>3,777,035</u>
LIABILITIES				
Current Liabilities:				
Due to Other Funds	4,278	4,641	-	8,919
Accounts Payable	6,620	6,248	57,329	70,197
Advance from Other Funds	-	-	29,100	29,100
Total Current Liabilities	<u>10,898</u>	<u>10,889</u>	<u>86,429</u>	<u>108,216</u>
NET POSITION				
Net Investment in Capital Assets	1,765,078	14,847	204,054	1,983,979
Unrestricted	1,326,114	358,726	-	1,684,840
Total Net Position	<u>\$ 3,091,192</u>	<u>\$ 373,573</u>	<u>\$ 204,054</u>	<u>\$ 3,668,819</u>

COUNTY OF GLENN

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	<u>Fleet & Service Center</u>	<u>County Facilities</u>	<u>County Services</u>	<u>Total</u>
OPERATING REVENUES				
Charges for Services	\$ 821,970	\$ 948,315	\$ 953,651	\$ 2,723,936
Other	830	1,008	13,975	15,813
Total Operating Revenues	<u>822,800</u>	<u>949,323</u>	<u>967,626</u>	<u>2,739,749</u>
OPERATING EXPENSES				
Services and Supplies	517,940	1,237,807	850,192	2,605,939
Depreciation	276,677	635	41,284	318,596
Total Operating Expenses	<u>794,617</u>	<u>1,238,442</u>	<u>891,476</u>	<u>2,924,535</u>
Operating Income (Loss)	<u>28,183</u>	<u>(289,119)</u>	<u>76,150</u>	<u>(184,786)</u>
NON-OPERATING REVENUES				
Investment Income	16,159	4,338	-	20,497
Income (Loss) Before Transfers	44,342	(284,781)	76,150	(164,289)
Transfers in	170,356	355,907	3,112	529,375
Change in Net Position	214,698	71,126	79,262	365,086
Total Net Position - Beginning	<u>2,876,494</u>	<u>302,447</u>	<u>124,792</u>	<u>3,303,733</u>
Total Net Position - Ending	<u>\$ 3,091,192</u>	<u>\$ 373,573</u>	<u>\$ 204,054</u>	<u>\$ 3,668,819</u>

COUNTY OF GLENN

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	<u>Fleet & Service Center</u>	<u>County Facilities</u>	<u>County Services</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Charges for Services	\$ 858,358	\$ 957,119	\$ 922,736	\$ 2,738,213
Payments to Suppliers	(510,251)	(1,236,727)	(777,305)	(2,524,283)
Net Cash Provided (Used) by Operating Activities	<u>348,107</u>	<u>(279,608)</u>	<u>145,431</u>	<u>213,930</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund Loan Repayments Received	1,752	45,751	27,394	74,897
Interfund Loans Received	4,278	4,641	29,100	38,019
Interfund Loans Made	(171,828)	(11,066)	(37,513)	(220,407)
Interfund Loans Repaid	(16,927)	(52,441)	(27,450)	(96,818)
Transfers in	170,356	355,907	3,112	529,375
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(12,369)</u>	<u>342,792</u>	<u>(5,357)</u>	<u>325,066</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(783,338)	(7,946)	(120,546)	(911,830)
Net Cash Used by Capital and Related Financing Activities	<u>(783,338)</u>	<u>(7,946)</u>	<u>(120,546)</u>	<u>(911,830)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends	16,159	4,338	-	20,497
Net Increase in Cash and Cash Equivalents	(431,441)	59,576	19,528	(352,337)
Cash and Cash Equivalents - Beginning	1,562,659	295,856	28,276	1,886,791
Cash and Cash Equivalents - Ending	<u>\$ 1,131,218</u>	<u>\$ 355,432</u>	<u>\$ 47,804</u>	<u>\$ 1,534,454</u>

COUNTY OF GLENN

Reconciliation of the Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	<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)	\$ 28,183	\$ (289,119)	\$ 76,150	\$ (184,786)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	276,677	635	41,284	318,596
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	35,558	7,796	(981)	42,373
Prepaid Expenses	(2,544)	(762)	43,909	40,603
Inventory	7,668	-	-	7,668
(Increase) Decrease in:				
Accounts Payable	2,565	1,842	28,978	33,385
Unearned Revenue	-	-	(43,909)	(43,909)
Net Cash Provided (Used) by Operating Activities	<u>\$ 348,107</u>	<u>\$ (279,608)</u>	<u>\$ 145,431</u>	<u>\$ 213,930</u>

COUNTY OF GLENN

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, 2018

	<u>Other Agency Funds</u>	<u>Unapportioned Taxes Fund</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 5,280,452	\$ 4,523,730	\$ 9,804,182
Due from Other Funds	484,777	2,770	487,547
Interest Receivable	250,822	34,298	285,120
Property Taxes Receivable	-	1,709,830	1,709,830
Total Assets	<u>\$ 6,016,051</u>	<u>\$ 6,270,628</u>	<u>\$ 12,286,679</u>
LIABILITIES			
Due to Other Funds	\$ 405,528	\$ 2,125,995	\$ 2,531,523
Advances from Other Funds	3,500	-	3,500
Agency Obligations	5,607,023	4,144,633	9,751,656
Total Liabilities	<u>\$ 6,016,051</u>	<u>\$ 6,270,628</u>	<u>\$ 12,286,679</u>

COUNTY OF GLENN

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For Fiscal Year Ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
OTHER AGENCY FUNDS				
ASSETS				
Cash and Investments	\$ 4,959,089	\$ 321,363	\$ -	\$ 5,280,452
Due from Other Funds	14,302	470,475	-	484,777
Interest Receivable	171,712	79,110	-	250,822
Total Assets	<u>\$ 5,145,103</u>	<u>\$ 870,948</u>	<u>\$ -</u>	<u>\$ 6,016,051</u>
LIABILITIES				
Due to Other Funds	\$ 337,291	\$ 68,237	\$ -	\$ 405,528
Advances from Other Funds	3,501	-	1	3,500
Agency Obligations	4,804,311	802,712	-	5,607,023
Total Liabilities	<u>\$ 5,145,103</u>	<u>\$ 870,949</u>	<u>\$ 1</u>	<u>\$ 6,016,051</u>
UNAPPORTIONED TAXES FUND				
ASSETS				
Cash and Investments	\$ 2,035,457	\$ 2,488,273	\$ -	\$ 4,523,730
Due from Other Funds	-	2,770	-	2,770
Interest Receivable	23,838	10,460	-	34,298
Property Taxes Receivable	1,782,629	-	72,799	1,709,830
Total Assets	<u>\$ 3,841,924</u>	<u>\$ 2,501,503</u>	<u>\$ 72,799</u>	<u>\$ 6,270,628</u>
LIABILITIES				
Due to Other Funds	\$ 8,430	\$ 2,117,565	\$ -	\$ 2,125,995
Agency Obligations	3,833,494	311,139	-	4,144,633
Total Liabilities	<u>\$ 3,841,924</u>	<u>\$ 2,428,704</u>	<u>\$ -</u>	<u>\$ 6,270,628</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and Investments	\$ 6,994,546	\$ 2,809,636	\$ -	\$ 9,804,182
Due from Other Funds	14,302	473,245	-	487,547
Interest Receivable	195,550	89,570	-	285,120
Property Taxes Receivable	1,782,629	-	72,799	1,709,830
Total Assets	<u>\$ 8,987,027</u>	<u>\$ 3,372,451</u>	<u>\$ 72,799</u>	<u>\$ 12,286,679</u>
LIABILITIES				
Due to Other Funds	\$ 345,721	\$ 2,185,802	\$ -	\$ 2,531,523
Advances from Other Funds	3,501	-	1	3,500
Agency Obligations	8,637,805	1,113,851	-	9,751,656
Total Liabilities	<u>\$ 8,987,027</u>	<u>\$ 3,299,653</u>	<u>\$ 1</u>	<u>\$ 12,286,679</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)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 39,019,826
Restricted	5,000,252	6,809,720	-	11,901,193	13,909,650	16,373,832	15,587,546	21,282,910	19,975,658	28,820,757
Unrestricted	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)	(102,630,299)
Total Governmental Activities	<u>43,078,257</u>	<u>40,917,244</u>	<u>37,035,145</u>	<u>41,432,869</u>	<u>41,861,498</u>	<u>43,575,971</u>	<u>(4,500,412)</u>	<u>(3,834,652)</u>	<u>(9,584,771)</u>	<u>(34,789,716)</u>
Business-Type Activities										
Net Investment in Capital Assets	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	3,357,604
Unrestricted	(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)	(5,644,202)
Total Business-Type Activities	<u>(2,035,496)</u>	<u>(3,801,408)</u>	<u>(3,283,741)</u>	<u>(5,538,032)</u>	<u>(5,001,195)</u>	<u>(5,840,403)</u>	<u>(4,269,700)</u>	<u>(4,058,163)</u>	<u>(2,370,993)</u>	<u>(2,286,598)</u>
Primary Government										
Net Investment in Capital Assets	34,055,691	33,517,230	34,459,556	36,059,951	36,129,711	37,616,853	37,707,664	38,430,855	38,882,463	42,377,430
Restricted	5,000,252	6,809,720	-	11,901,193	13,909,650	16,373,832	15,587,546	21,282,910	19,975,658	28,820,757
Unrestricted	1,986,818	(3,211,114)	(708,152)	(12,066,307)	(13,179,058)	(16,255,117)	(62,065,322)	(67,606,580)	(70,813,885)	(108,274,501)
Total Primary Government Net Position	<u>\$ 41,042,761</u>	<u>\$ 37,115,836</u>	<u>\$ 33,751,404</u>	<u>\$ 35,894,837</u>	<u>\$ 36,860,303</u>	<u>\$ 37,735,568</u>	<u>\$ (8,770,112)</u>	<u>\$ (7,892,815)</u>	<u>\$ (11,955,764)</u>	<u>\$ (37,076,314)</u>

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)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 7,499,107
Public Protection	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	24,670,311
Public Ways and Facilities	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	6,205,316
Health and Sanitation	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	17,638,744
Public Assistance	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	26,242,687
Education	410,711	395,772	453,880	447,138	434,324	441,421	395,045	367,406	405,103	441,440
Interest on Long-Term Debt	278,806	251,541	240,706	82,550	484,130	173,190	176,437	119,119	126,763	133,898
Total Governmental Activities	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	82,831,503
Business-Type Activities:										
Solid Waste	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	1,321,477
Solid Waste Closure	-	-	-	-	2,078,423	2,078,423	651,868	890,347	203,542	629,017
Airport	793,817	639,798	444,609	722,517	592,841	520,123	632,618	553,148	549,498	757,066
Total Business-Type Activities	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	2,707,560
Total Primary Government	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	85,539,063
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	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	5,223,740
Public Protection	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	5,197,477
Public Ways and Facilities	-	343,840	408,614	742,265	663,223	1,119,189	387,608	1,555,905	1,430,508	1,362,396
Health and Sanitation	-	1,099,535	958,668	1,007,050	1,055,228	1,360,420	418,007	2,461,588	3,215,662	3,178,502
Public Assistance	-	144,114	4,341,468	4,310,195	4,076,575	3,263,988	94,367	24,481	45,517	73,937
Education	-	4,905	3,893	826	4,538	4,620	1,568	812	850	-
Other Activities	1,261,174	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	46,613,141	43,944,014	47,158,777	51,367,279	42,947,868	43,324,505	40,494,839	47,359,955	47,298,971	53,580,525
Capital Grants and Contributions	244,000	788,490	-	424,117	3,394,062	4,866,198	5,570,726	23,160	625,634	4,140,179
Total Governmental Activities	54,453,452	53,789,496	62,844,480	66,408,197	57,524,057	61,499,244	53,956,929	59,697,449	60,956,388	72,756,756
Business-Type Activities:										
Charges for services:										
Solid Waste	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	2,349,876
Airport	678,852	632,966	438,204	558,761	526,191	322,407	292,132	596,250	576,338	603,061
Operating Grants and Contributions	75,639	30,000	67,000	77,472	261,051	55,000	194,911	43,225	64,729	42,479
Capital Grants and Contributions	7,074	-	-	-	7,886	-	-	-	650,524	107,024
Total Business-Type Activities	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	3,102,440
Total Primary Government	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	75,859,196
Net Expense										
Governmental	(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)	(10,074,747)
Business-Type	(617,330)	(1,808,936)	486,380	(2,462,657)	(1,785,865)	(1,343,898)	(513,931)	29,777	1,439,341	394,880
Total Primary Government	\$ (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)	\$ (9,679,867)

COUNTY OF GLENN

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues										
Governmental Activities:										
Taxes										
Property Taxes	\$ 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	\$ 7,105,484
Sales and Use Taxes	1,058,034	749,074	928,129	1,114,225	691,604	1,156,215	1,013,477	1,061,082	1,006,059	1,174,976
Real Property Transfer Taxes	69,906	217,018	98,460	86,813	123,546	223,015	128,819	147,574	130,310	163,120
Other Taxes	25,159	22,643	261,153	20,894	23,080	18,999	6,555	16,492	21,557	22,835
Franchise Fees	-	-	-	559,112	540,985	584,269	624,752	646,373	657,043	555,126
Grants and Contributions - Unrestricted	-	-	-	3,223,024	3,229,320	3,334,410	3,421,057	3,640,683	3,779,120	3,912,874
Interest and Investment Earnings	438,810	169,178	176,493	6,700	83,779	103,905	51,758	138,727	143,702	275,399
Miscellaneous	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	446,429
Transfers	-	-	-	-	(29,797)	-	5,000	53,871	25,712	35,003
Total Governmental Activities	<u>13,391,337</u>	<u>10,950,327</u>	<u>12,479,962</u>	<u>13,280,277</u>	<u>13,689,496</u>	<u>12,986,043</u>	<u>15,542,844</u>	<u>12,720,484</u>	<u>12,924,960</u>	<u>13,691,246</u>
Business-Type Activities:										
Franchise Fees	-	-	-	-	-	-	-	210,370	215,405	235,726
Interest and Investment Earnings	73,676	29,002	21,957	19,245	12,351	314,150	343,481	21,542	55,533	110,582
Miscellaneous	(38,532)	-	-	189,121	202,131	190,540	208,986	3,719	2,603	3,555
Transfers	-	-	-	-	29,797	-	(5,000)	(53,871)	(25,712)	(35,002)
Total Business-Type Activities	<u>35,144</u>	<u>29,002</u>	<u>21,957</u>	<u>208,366</u>	<u>244,279</u>	<u>504,690</u>	<u>547,467</u>	<u>181,760</u>	<u>247,829</u>	<u>314,861</u>
Total Primary Government	<u>13,426,481</u>	<u>10,979,329</u>	<u>12,501,919</u>	<u>13,488,643</u>	<u>13,933,775</u>	<u>13,490,733</u>	<u>16,090,311</u>	<u>12,902,244</u>	<u>13,172,789</u>	<u>14,006,107</u>
Changes in Net Position										
Governmental Activities	(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)	3,616,499
Business-Type Activities	(582,186)	(1,779,934)	508,337	(2,254,291)	(1,541,586)	(839,208)	33,536	211,537	1,687,170	709,741
Total Primary Government	<u>\$ (4,975,592)</u>	<u>\$ (3,981,866)</u>	<u>\$ (4,595,285)</u>	<u>\$ 2,198,737</u>	<u>\$ (2,066,474)</u>	<u>\$ 875,265</u>	<u>\$ 2,295,953</u>	<u>\$ 926,321</u>	<u>\$ (4,062,949)</u>	<u>\$ 4,326,240</u>

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable	\$ 1,284,922	\$ 999,953	\$ 439,127	\$ 1,563,917	\$ 1,352,088	\$ 1,361,476	\$ 1,715,408	\$ 376,489	\$ 421,697	\$ 463,940
Restricted	2,028,065	1,339,815	-	1,672,384	2,179,436	3,299,461	1,668,535	2,427,802	222,875	681,571
Committed	86,069	44,796	-	-	-	-	163,447	235,952	45,320	90,913
Assigned	-	-	176,271	-	-	-	15,247	15,247	-	-
Unassigned	1,363,945	148,932	1,974,123	201,991	1,753,708	2,014,119	2,221,994	685,403	2,009,297	2,875,132
Total General Fund	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	4,111,556
Other Governmental Funds										
Nonspendable	2,240,266	2,246,685	511,634	467,510	225,192	354,582	89,448	152,811	163,461	142,959
Restricted	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	23,675,948
Committed	130,892	-	-	-	-	-	-	-	-	-
Assigned	-	-	175,158	67,828	20,750	21,943	-	-	-	-
Unassigned	-	-	397,713	(77,631)	(4,733)	(22,263)	-	-	-	(23,436)
Total Other Governmental Funds	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	23,795,471
Total Governmental Funds										
Nonspendable	3,525,188	3,246,638	950,761	2,031,427	1,577,280	1,716,058	1,804,856	529,300	585,158	606,899
Restricted	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	24,357,519
Committed	216,961	44,796	-	-	-	-	163,447	235,952	45,320	90,913
Assigned	-	-	351,429	67,828	20,750	21,943	15,247	15,247	-	-
Unassigned	1,363,945	148,932	2,371,836	124,360	1,748,975	1,991,856	2,221,994	685,403	2,009,297	2,851,696
Total Governmental Funds	\$ 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	\$ 27,907,027

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)

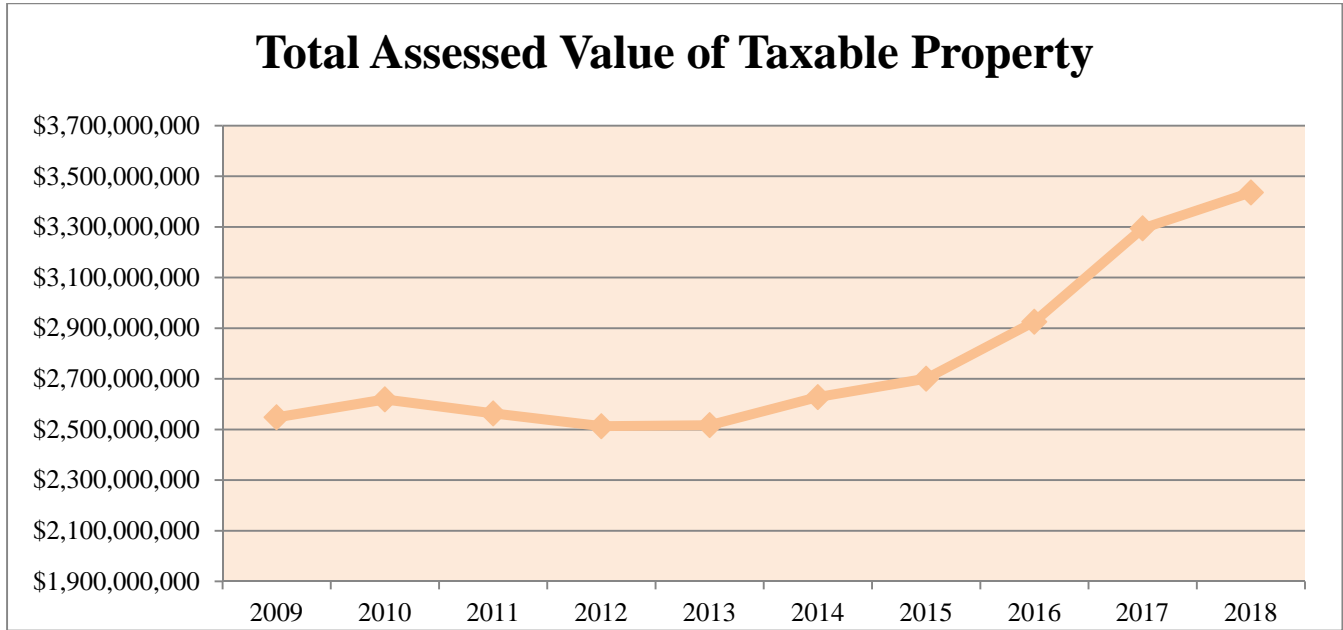
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 5,816,259	\$ 5,739,790	\$ 6,585,637	\$ 5,926,615	\$ 5,838,509	\$ 6,143,635	\$ 6,223,755	\$ 6,708,225	\$ 6,881,865	\$ 12,379,289
Licenses, Permits, and Franchises	1,284,799	1,276,883	1,220,836	1,193,307	1,146,542	1,230,934	1,360,277	1,608,056	1,510,288	1,482,657
Fines and Forfeitures	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	1,218,068
Use of Money and Property	408,069	156,014	172,813	(2,282)	77,073	93,713	50,928	244,007	160,348	283,354
Aid from Other Governments	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	56,098,480
Charges for Services	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	12,824,277
Other	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	778,680
Total Revenues	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	85,064,805
Expenditures										
General Government	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	7,006,172
Public Protection	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	23,116,628
Public Ways and Facilities	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	4,452,702
Health and Sanitation	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	17,063,706
Public Assistance	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	25,725,966
Education	409,447	386,402	384,613	386,511	379,516	377,951	391,797	375,375	394,900	429,631
Debt Service:										
Principal	389,796	183,325	189,077	189,450	212,195	108,856	161,437	311,519	244,888	248,074
Interest and Other Charges	274,059	247,607	273,185	128,179	482,962	172,568	86,987	119,109	126,762	133,899
Capital Outlay	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	1,570,616
Total Expenditures	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	79,747,394
Excess (Deficiency) of Revenues Over Expenditures	(1,389,425)	(62,087)	(2,356,203)	1,974,635	2,361,915	3,011,663	544,830	(556,901)	734,997	5,317,411
Other Financing Sources (Uses)										
Capital Leases	-	-	395,900	224,183	27,881	42,337	-	575,500	-	3,132,426
Sale of Capital Assets	-	-	-	-	337,126	-	44,020	635	-	3,100
Other Sources (Uses)	608,187	-	-	-	-	-	-	-	-	-
Transfers in	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	11,723,589
Transfers out	(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)	(12,217,961)
Total Other Financing Sources (Uses)	608,187	-	395,900	224,183	335,210	42,337	(235,217)	371,882	(333,492)	2,641,154
Net Change in Fund Balance	\$ (781,238)	\$ (62,087)	\$ (1,960,303)	\$ 2,198,818	\$ 2,697,125	\$ 3,054,000	\$ 309,613	\$ (185,019)	\$ 401,505	\$ 7,958,565
Debt Services as a Percentage of Noncapital Expenditures	0.97%	0.67%	0.61%	0.45%	1.02%	0.41%	0.41%	0.62%	0.51%	0.49%

Source: County of Glenn Department of Finance

COUNTY OF GLENN

Assessed Value of Taxable Property
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
2009	2,370,480,259	142,944,841	2,513,425,100	107,019,954	72,405,420	2,548,039,634
2010	2,442,096,508	142,944,841	2,585,041,349	105,943,126	72,405,420	2,618,579,055
2011	2,392,593,009	141,247,166	2,533,840,175	104,357,949	74,793,805	2,563,404,319
2012	2,350,932,784	132,397,040	2,483,329,824	108,297,897	78,745,702	2,512,882,019
2013	2,344,152,537	139,349,503	2,483,502,040	120,006,813	86,352,981	2,517,155,872
2014	2,417,841,696	171,226,974	2,589,068,670	127,888,473	89,047,944	2,627,909,199
2015	2,475,019,895	176,899,227	2,651,919,122	138,438,783	89,947,937	2,700,409,968
2016	2,517,736,225	344,179,305	2,861,915,530	154,372,894	90,820,217	2,925,468,207
2017	2,999,734,451	221,596,384	3,221,330,835	171,148,027	98,132,304	3,294,346,558
2018	3,142,676,330	211,935,129	3,354,611,459	184,533,237	103,131,202	3,436,013,494



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.

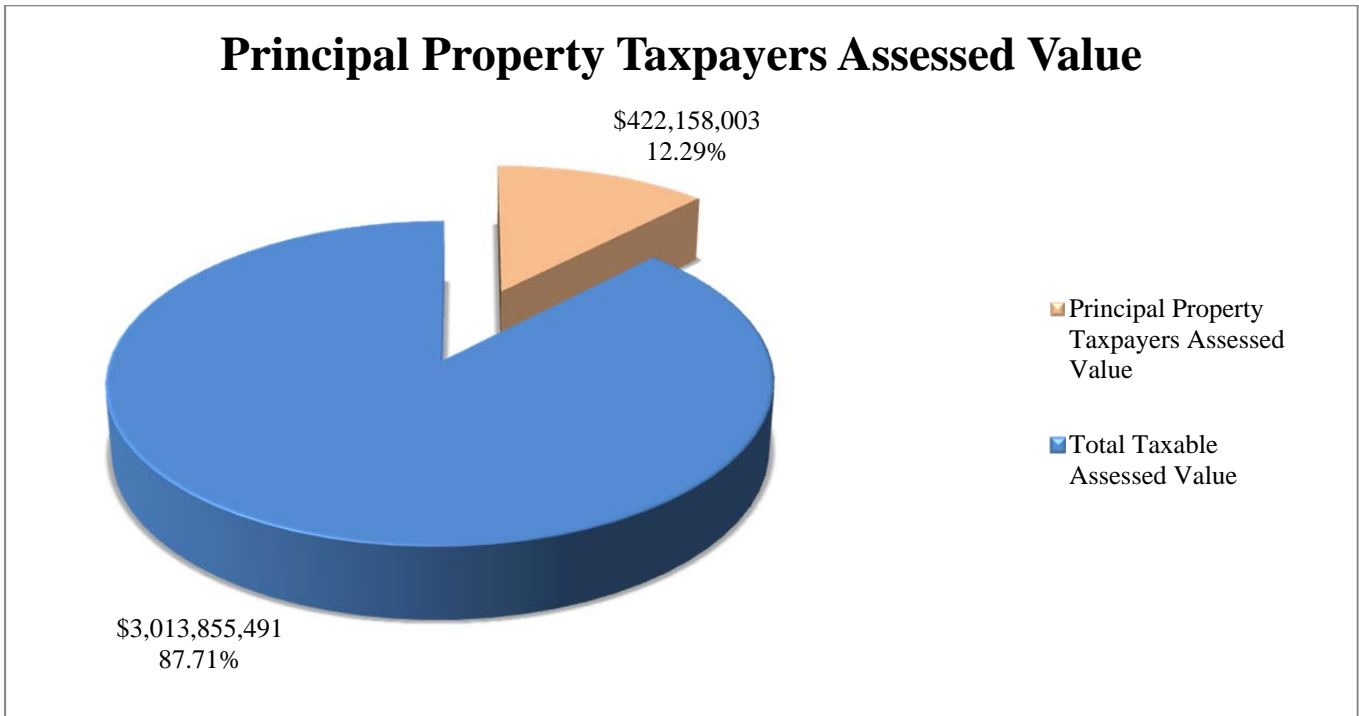
Source: Glenn County Department of Finance

COUNTY OF GLENN

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Fiscal Year Ended June 30, 2018			Fiscal year Ended June 30, 2009		
	Assessed Value	Rank	Percentage of Taxable Assessed Value	Assessed Value	Rank	Percentage of Taxable Assessed Value
Pacific Gas & Electric Co.	\$ 134,992,960	1	3.93%	\$ 78,453,438	2	3.08%
Johns Manville Intl. Inc.	73,178,266	2	2.13%	76,815,225	3	3.01%
Big W Ranch Corp.	41,198,937	3	1.20%	17,479,615	6	0.69%
California Olive Ranch Inc.	36,908,249	4	1.07%			0.00%
JJB Farms LP	32,197,791	5	0.94%			0.00%
Violich Farms Inc.	24,659,833	6	0.72%	26,468,203	5	1.04%
Paul Violich Inc.	24,156,609	7	0.70%			0.00%
Koehen C F & Sons Orchards	20,054,433	8	0.58%	11,428,343	8	0.45%
Land O Lakes Inc.	19,861,814	9	0.58%	9,764,282	10	0.38%
San Francisco Region Prop Inc.	14,949,111	10	0.44%			0.00%
Venoco Inc.				111,753,413	1	4.39%
Vintage Production CA LLC				28,399,647	4	1.11%
Willows Land Invest LLC				15,632,007	7	0.61%
Nature Conservancy, The				11,068,329	9	0.43%
	<u>\$ 422,158,003</u>		<u>12.29%</u>	<u>\$ 387,262,502</u>		<u>15.20%</u>
Net Assessed Value of Taxable Property	<u>\$ 3,436,013,494</u>			<u>\$ 2,548,039,634</u>		

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



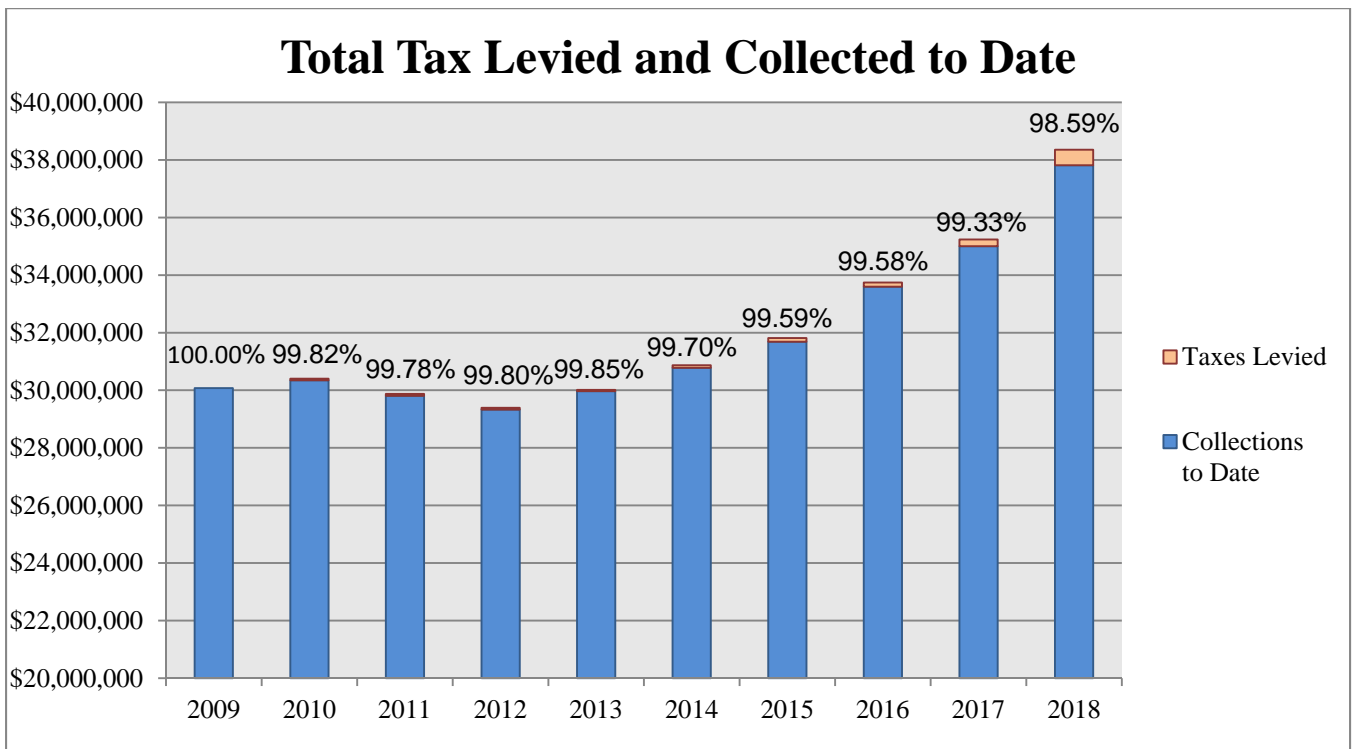
Source: County of Glenn Department of Finance

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
2009	30,072,295	29,211,267	97.14%	861,028	30,072,295	100.00%
2010	30,401,258	29,528,685	97.13%	819,176	30,347,861	99.82%
2011	29,875,679	29,084,997	97.35%	724,160	29,809,157	99.78%
2012	29,389,848	28,670,690	97.55%	661,627	29,332,317	99.80%
2013	30,013,501	29,454,246	98.14%	514,245	29,968,491	99.85%
2014	30,871,137	30,229,374	97.92%	550,088	30,779,462	99.70%
2015	31,816,694	31,365,992	98.58%	319,792	31,685,784	99.59%
2016	33,741,327	33,312,554	98.73%	286,218	33,598,772	99.58%
2017	35,239,560	34,776,144	98.68%	226,591	35,002,735	99.33%
2018	38,357,031	37,815,633	98.59%	-	37,815,633	98.59%

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

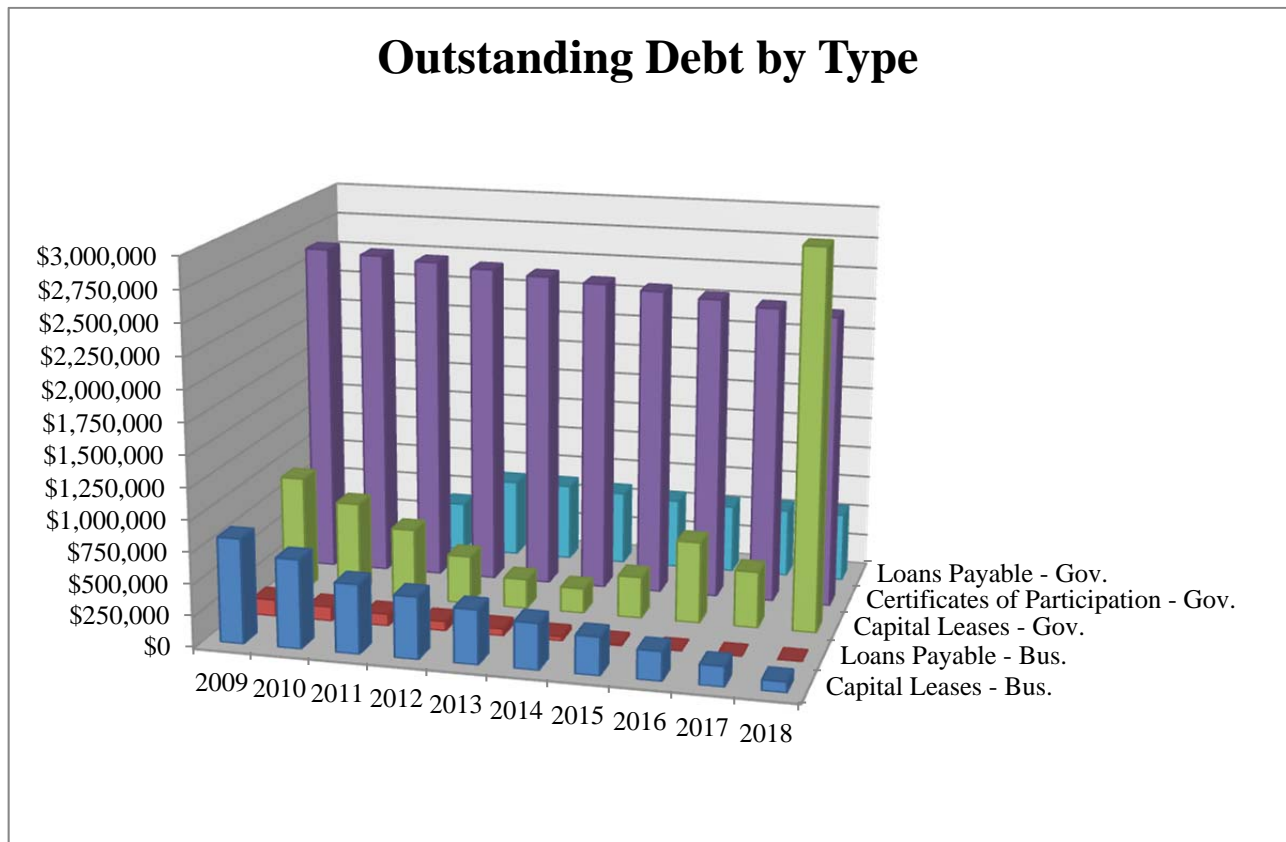


Source: County of Glenn Department of Finance

COUNTY OF GLENN

Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government
	Loans Payable	Certificates of Participation	Capital Leases	Loans Payable	Capital Leases	
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
2018	546,450	2,325,000	3,379,274	-	84,805	6,335,529



Source: County of Glenn Department of Finance

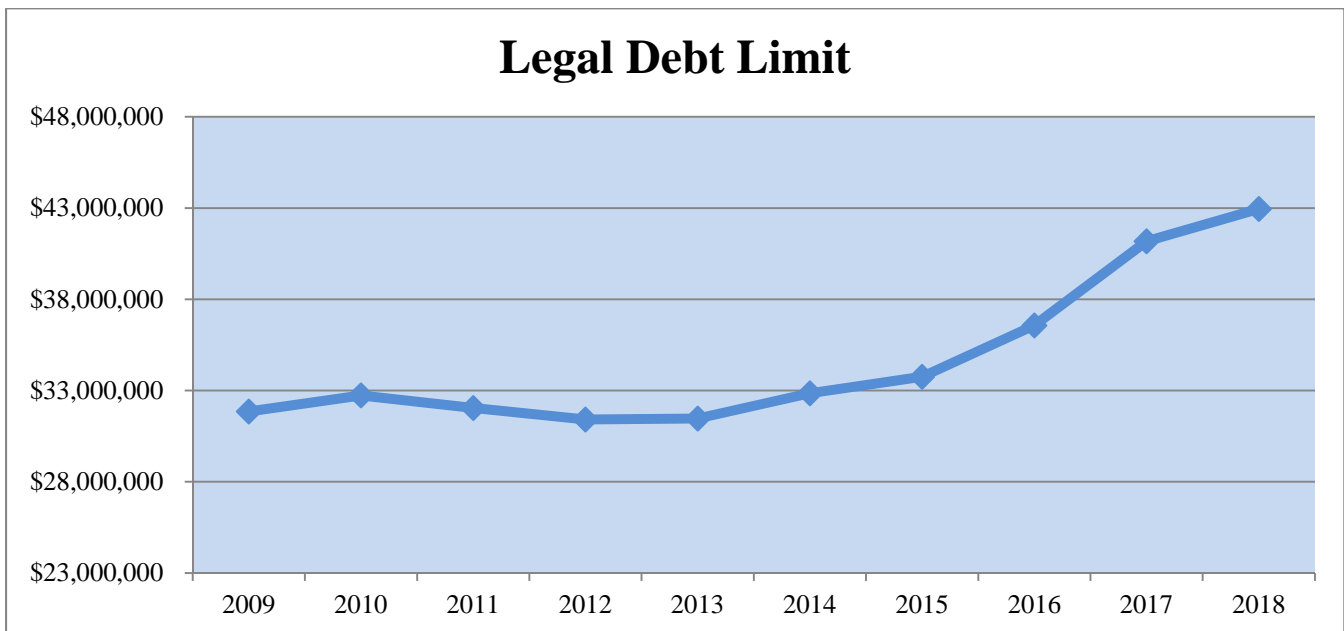
COUNTY OF GLENN

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
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%
2018	3,436,013,494	42,950,169	-	42,950,169	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

Demographics and Economic Statistics Last Ten Fiscal Years

Calendar Year	County Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
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%
2018	28,094	1,309,921,000	46,626	5,581	7.0%

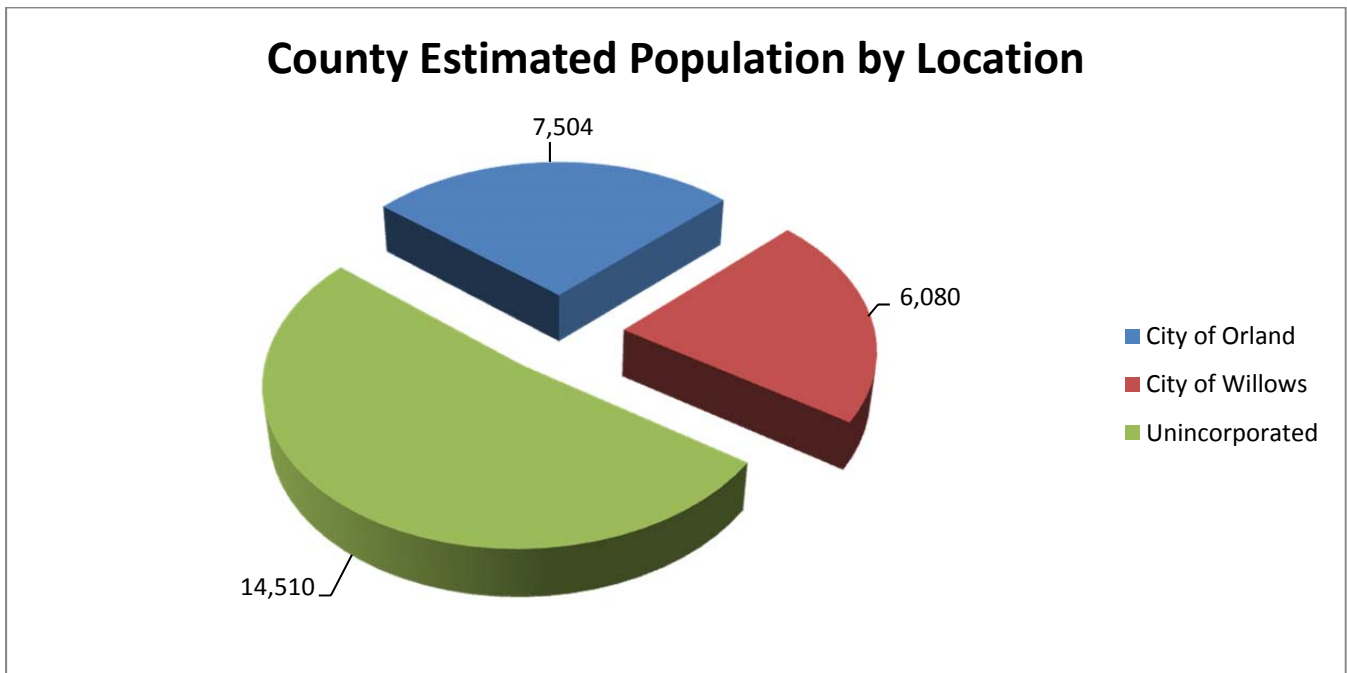
Sources:

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 County Population

Incorporated Cities

City of Orland	7,504
City of Willows	6,080
Total of Incorporated	13,584
Total of Unincorporated	14,510
Total Estimated County Population	28,094



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, 2018
General Government	
Law Library	1
Public Protection	
Fire Stations (Under the BOS)	4
Sheriff Headquarters	1
Sheriff Stations	2
Jail	1
Public Ways and Facilities	
Airports	2
Health and Sanitation	
Clinics	3
Landfills	1
Public Assistance	
Employment and Training Centers	2
Education	
Libraries - (Partially 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, 2018			Fiscal year Ended June 30, 2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
County of Glenn	479	1	3.76%	495	1	4.49%
Johns Manville	250-499	2	1.96%-3.92%	340	3	3.08%
Erick Nielsen Enterprises Incorporated	100-249	3-9	0.79%-1.96%			
Glenn Family Medical Group	100-249	3-9	0.79%-1.96%			
Glenn Medical Center	100-249	3-9	0.79%-1.96%	74	10	0.67%
Rumiano Cheese Factory	100-249	3-9	0.79%-1.96%			
Sierra Nevada Cheese Co.	100-249	3-9	0.79%-1.96%			
Sunsweet Dryers	100-249	3-9	0.79%-1.96%			
Walmart	100-249	3-9	0.79%-1.96%	200	4-5	1.81%
Glenn County Office of Education	50-99	10	0.39%-0.78%	81	8	0.73%
Willows Unified School District				380	2	3.45%
Orland Unifed School District				200	4-5	1.81%
Kumar Hotels, Inc.				150	6	1.36%
Sunbridge Healthcare Corporation				99	7	0.90%
Glenn-Colusa Irrigation District				75	9	0.68%
Total	<u>1,479-2,820</u>		<u>11.62%-22.16%</u>	<u>2,094</u>		<u>18.98%</u>

Source: California EDD and Glenn County Department of Finance

Function/ Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	59.5	60.5	54.5	43.5	42.5	43.0	46.0	46.0	46.0	54.0
Public Protection	160.6	153.5	145.0	144.5	142.8	153.7	155.3	140.8	129.8	146.4
Public Ways and Facilities	38.0	39.0	37.0	39.0	37.5	38.0	41.0	44.0	40.0	36.0
Health and Sanitation	101.8	103.5	87.5	85.5	87.0	90.0	111.0	124.0	120.0	128.8
Public Assistance	152.5	151.5	151.5	150.5	148.5	143.0	119.0	101.8	106.8	110.1
Education	2.0	2.0	2.0	2.0	2.0	2.0	2.0	6.0	5.0	4.0
Total Fulltime Equivalent Employees	<u>514.3</u>	<u>510.0</u>	<u>477.5</u>	<u>465.0</u>	<u>460.3</u>	<u>469.7</u>	<u>474.3</u>	<u>462.6</u>	<u>447.6</u>	<u>479.3</u>

Source: Glenn County Department of Finance