

**COUNTY OF LASSEN
SUSANVILLE, CALIFORNIA**

BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2019**

**COUNTY OF LASSEN
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS

	<u>Page</u>
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
Management's Discussion and Analysis.....	5
 Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities and Changes in Net Position	22
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet	24
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	27
Statement of Revenues, Expenditures and Changes in Fund Balances.....	28
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities and Changes in Net Position	30
Proprietary Fund Financial Statements:	
Statement of Net Position	32
Statement of Revenues, Expenses and Changes in Net Position	33
Statement of Cash Flows.....	34
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	36
Statement of Changes in Fiduciary Net Position.....	37
Notes to the Basic Financial Statements	40

TABLE OF CONTENTS
(Continued)

Page

FINANCIAL SECTION (Continued)

Required Supplementary Information (Unaudited):

Budgets and Budgetary Accounting.....	83
Budgetary Comparison Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund.....	84
Road Fund	85
Welfare Administration Fund.....	86
Welfare Assistance Fund	87
Health and Human Services Fund	88
Public Safety Fund.....	89
County Local Revenue Fund.....	90
Proportionate Share of Net Pension Liability – Cost-Sharing Plan	91
Schedule of Contributions – Cost-Sharing Plan.....	92
Schedule of Changes in Net Pension Liability and Related Ratios – Agent Multiple Employer Plan	93
Schedule of Contributions – Agent Multiple Employer Plan.....	94
Schedule of Changes in Net OPEB Liability and Related Ratios – Single Employer Plan	95
Schedule of Contributions – Other Postemployment Benefits.....	96

Supplemental Information:

Nonmajor Governmental Funds:	
Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	109
Internal Service Funds:	
Combining Statement of Net Position.....	120
Combining Statement of Revenues, Expenses and Changes in Net Position	121
Combining Statement of Cash Flows	122



INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
of the County of Lassen
Susanville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Lassen, California (the "County") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County'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 County'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.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

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 of Lassen, California, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-17, budgetary comparison information on pages 84-90, proportionate share of net pension liability - cost-sharing plan on page 91, schedule of contributions - cost-sharing plan on page 92, and schedule of changes in net pension liability and related ratios - agent multiple employer plan on page 93, schedule of contributions - agent multiple plan on page 94, schedule of changes in Net OPEB liability and related ratios - single employer plan on page 95, and the schedule of changes in contributions - other postemployment benefits on page 96, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
April 10, 2020

THIS PAGE IS LEFT BLANK INTENTIONALLY.

COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

FINANCIAL HIGHLIGHTS

Government-Wide Financial Analysis:

- The net position of the County at the close of the 2018/19 fiscal year was \$59,910,231. Of the net position, \$47,221,446 is restricted for specific purpose (*restricted net position*), and \$50,117,848 is the net investment in capital assets, net of related debt. This leaves an unrestricted net position of (\$37,429,063), compared to an unrestricted net position in the prior year of (\$32,011,896). The unrestricted net position is negative due to implementation of GASB Statement No. 68 and GASB 75, a change in accounting method, which requires recording a future Net Pension Liability and Net OPEB Liability. The government's total net position increased by \$1,127,211 in comparison with prior year.
- The County's total non-current liabilities changed in comparison with the prior year as follows:

▪ Compensated absences	\$ (1,611)
▪ Claims & judgements payable	940,937
▪ Capital lease	(154,122)
▪ Net OPEB Liability	69,277
▪ Net pension liability	806,663
Total increase of	\$ 1,661,144

The County's investment in capital assets decreased by \$(66,022) due to depreciation of assets.

Financial Analysis of County's Funds:

- County governmental funds reported combined fund balance of \$50,789,628, an increase of \$4,709,275 in comparison with the prior year.
- Of the \$50,789,628, \$7,893,036 is considered to be **nonspendable** - legally or contractually required to be maintained intact; \$37,258,263 is considered to be **restricted** - constrained for a specific purpose by an outside party and is legally enforceable; \$996,430 is considered formally **committed** by the Board of Supervisors (by resolution); \$2,564,591 is considered **assigned** by the Board of Supervisors or delegated representative in an informal manner (board minutes, budget, purchase order, contract, etc.); and \$2,077,308 is considered **unassigned**.
- The County General Fund had \$384,108 in assigned fund balance and \$2,079,225 in unassigned fund balance, for a total of \$2,463,333, an equivalent of 27.04% of the total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. **Required Supplementary Information** (RSI) is included in addition to the basic financial statements.

COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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

- The *Statement of Net Position* presents information on 1) assets and deferred outflows of resources, 2) liabilities and deferred inflows of resources, and 3) the difference between them (net position). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- The *Statement of Activities* presents information showing how net position changed during the most recent 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 in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs 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 recreation. The business-type activities of the County include the County Service Area #1 (Honey Lake TV).

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary 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 funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

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 financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains nine individual governmental funds that are considered major funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Road Fund, Health and Human Services Fund, Community Development Fund, Welfare Assistance Fund, Welfare Administration Fund, Public Safety Fund, and the County Local Revenue Fund; data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each non-major governmental fund is provided in the Supplemental Information section of this report.

COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the County Service Area #1 (Honey Lake TV) and county business parks, and *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet maintenance and information technology systems functions. 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 enterprise fund operations are not considered to be major funds of the County. The County's internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

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 statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information is presented concerning the County's major funds budgetary schedules. The County adopts an annual appropriated budget for its funds. A budgetary comparison schedule has been provided for the major funds to demonstrate compliance with this budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$59,910,231, at the close of the most recent fiscal year.

The largest portion of the County's Government Activities net position, \$50,117,748 reflects its investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. On June 30, 2019, the County had \$3,498,177 debt related to capital assets.

An additional portion of the County's Government Activities net position, \$47,221,446, represents resources that are subject to external restrictions on how they may be used. At the end of the current fiscal year, the County reported positive balances in two of the three categories of net position.

**COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The County's Government Activities Net Position increased by \$1,129,721 during the current fiscal year. The net increase in net position includes the increase in capital assets, changes in pension net liabilities, change in OPEB liabilities, general government costs exceeding earned revenues, various changes in restricted funds.

In the County's Business-type Activities, the County reported unrestricted net position of \$7,276, a decrease of (\$25,636).

During the current fiscal year, the County had an overall increase in net position of \$1,127,211. While the net investments in capital assets decreased by (\$66,022), the restricted net position increased by \$6,610,400 and the unrestricted net position decreased by (\$5,417,167).

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

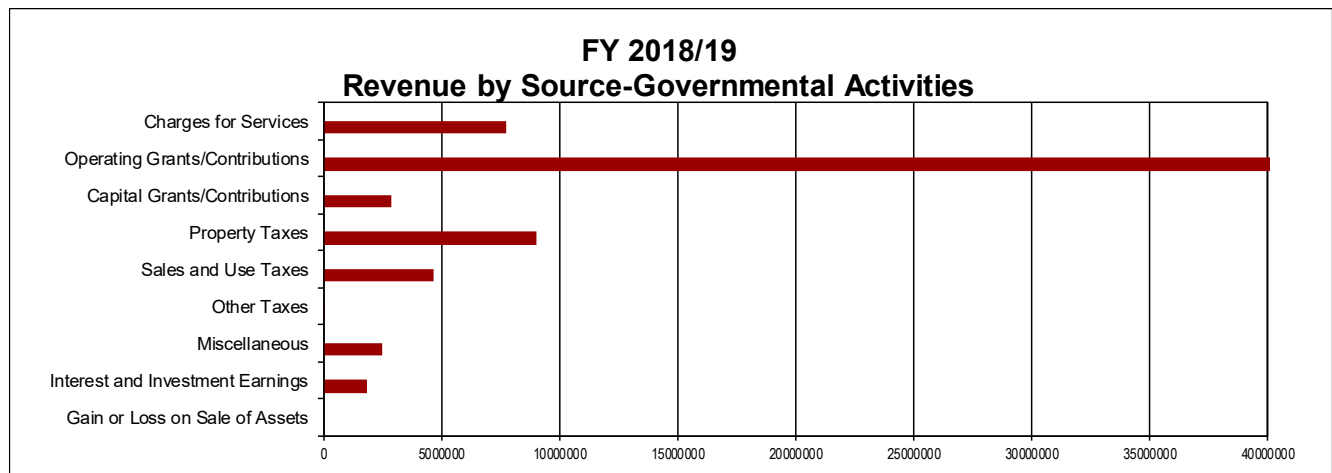
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 56,253,256	\$ 49,771,230	\$ 7,276	\$ 32,912	\$ 56,260,532	\$ 49,804,142
Long-Term Receivables	312,150	348,010	-	-	312,150	348,010
Capital Assets	53,568,316	53,811,586	47,709	24,583	53,616,025	53,836,169
Total Assets	<u>110,133,722</u>	<u>103,930,826</u>	<u>54,985</u>	<u>57,495</u>	<u>110,188,707</u>	<u>103,988,321</u>
Deferred outflows of resources	<u>9,126,549</u>	<u>12,413,608</u>	<u>-</u>	<u>-</u>	<u>9,126,549</u>	<u>12,413,608</u>
Current and Other Liabilities	8,180,875	7,728,571	-	-	8,180,875	7,728,571
Long-Term Liabilities	50,092,334	48,746,328	-	-	50,092,334	48,746,328
Total Liabilities	<u>58,273,209</u>	<u>56,474,899</u>	<u>-</u>	<u>-</u>	<u>58,273,209</u>	<u>56,474,899</u>
Deferred inflows of resources	<u>1,131,816</u>	<u>1,144,010</u>	<u>-</u>	<u>-</u>	<u>1,131,816</u>	<u>1,144,010</u>
Net Investment in Capital Assets	50,070,139	50,159,287	47,709	24,583	50,117,848	50,183,870
Restricted	47,221,446	40,611,046	-	-	47,221,446	40,611,046
Unrestricted	(37,436,339)	(32,044,808)	7,276	32,912	(37,429,063)	(32,011,896)
Total Net Position	<u>\$ 59,855,246</u>	<u>\$ 58,725,525</u>	<u>\$ 54,985</u>	<u>\$ 57,495</u>	<u>\$ 59,910,231</u>	<u>\$ 58,783,020</u>

COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

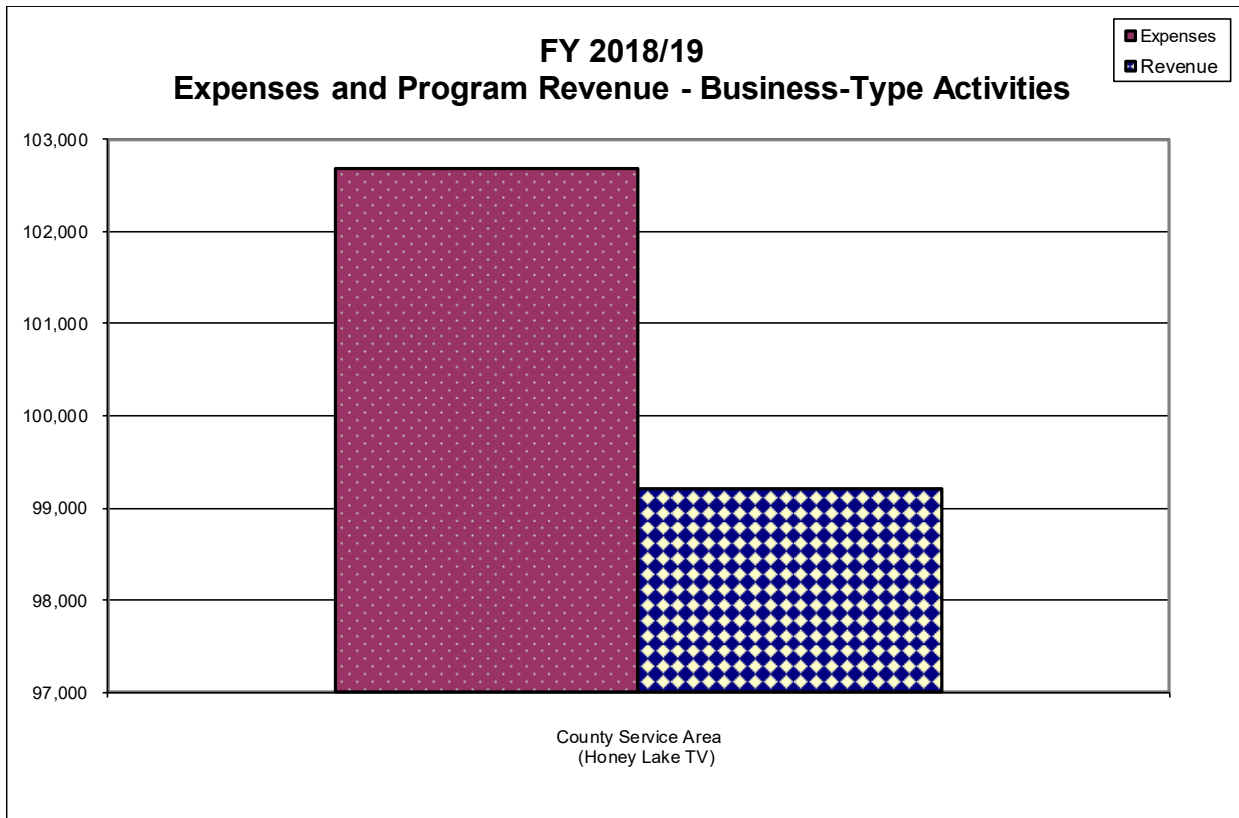
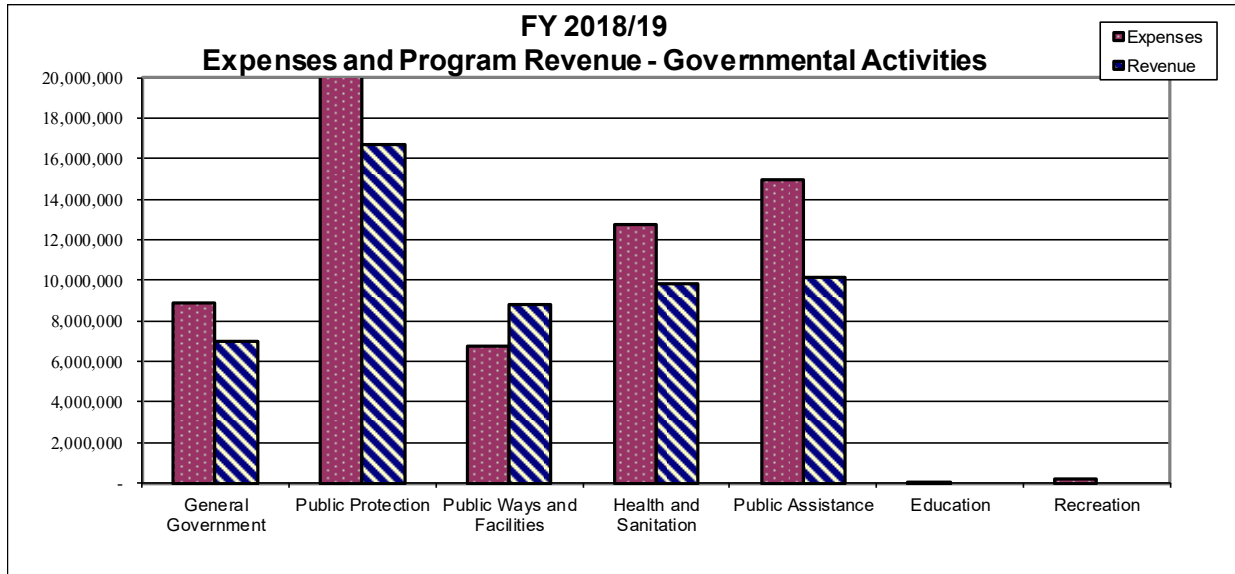
The following table indicates the changes in net position for governmental and business-type activities:

Statement of Activities						
For the year ended June 30, 2019						
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Charges for Services	\$ 7,731,893	\$ 8,310,640	\$ 99,212	\$ 53,636	\$ 7,831,105	\$ 8,364,276
Operating Grants/Contributions	41,929,838	41,447,822	-	-	41,929,838	41,447,822
Capital Grants/Contributions	2,883,992	1,050,493	-	-	2,883,992	1,050,493
Property Taxes	9,029,051	8,862,367	-	-	9,029,051	8,862,367
Sales and Use Taxes	4,699,074	5,002,775	-	-	4,699,074	5,002,775
Other Taxes	84,044	102,042	-	-	84,044	102,042
Miscellaneous	2,524,932	1,964,841	-	98	2,524,932	1,964,939
Interest and Investment Earnings	1,882,662	683,138	-	-	1,882,662	683,138
Gain or Loss on Sale of Assets	(6,517)	35,464	965	(87)	(5,552)	35,377
Total Revenues	70,758,969	67,459,582	100,177	53,647	70,859,146	67,513,229
Expenses						
General Government	8,840,232	8,147,461	-	-	8,840,232	8,147,461
Public Protection	25,947,024	23,989,610	-	-	25,947,024	23,989,610
Public Ways and Facilities	6,740,692	5,486,123	-	-	6,740,692	5,486,123
Health and Sanitation	12,755,135	12,443,895	-	-	12,755,135	12,443,895
Public Assistance	14,921,768	17,089,281	-	-	14,921,768	17,089,281
Education	72,259	289,364	-	-	72,259	289,364
Recreation	206,046	196,183	-	-	206,046	196,183
Interest on long-term debt	146,092	152,019	-	-	146,092	152,019
County Service Area (Honey Lake TV)	-	-	102,687	70,003	102,687	70,003
Total Expenses	69,629,248	67,793,936	102,687	70,003	69,731,935	67,863,939
Excess (Deficiency) of Revenues Over (Under) Expenses	1,129,721	(334,354)	(2,510)	(16,356)	1,127,211	(350,710)
Transfers	-	-	-	-	-	-
Change in Net Position	1,129,721	(334,354)	(2,510)	(16,356)	1,127,211	(350,710)
Net Position - Beginning	58,725,525	60,562,919	57,495	73,851	58,783,020	60,636,770
Prior period adjustments	-	(1,503,040)	-	-	-	(1,503,040)
Net Position - Beginning (restated)	58,725,525	59,059,879	57,495	73,851	58,783,020	59,133,730
Net Position - Ending	\$ 59,855,246	\$ 58,725,525	\$ 54,985	\$ 57,495	\$ 59,910,231	\$ 58,783,020



**COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)



COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds: The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *total fund balance less the non-spendable portion* is a useful measure of a government's net resources available for spending at the end of the fiscal year.

Net Changes in Fund Balance
Governmental Funds

	2019	2018	Increase (Decrease)	
			Amount	Percent
Fund Balance - Beginning of Year, restated	\$ 46,080,346	\$ 42,614,937	\$ 3,465,409	8.13%
Revenues	69,542,121	67,069,522	2,472,599	3.69%
Expenditures	(64,836,772)	(63,792,403)	(1,044,369)	1.64%
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	4,705,349	3,277,119	1,428,230	43.58%
Other Financing Sources (Uses)	3,933	188,297	(184,364)	-97.91%
Fund Balance - End of Year	<u>\$ 50,789,628</u>	<u>\$ 46,080,353</u>	<u>\$ 4,709,275</u>	<u>10.22%</u>

At June 30, 2019, the County's governmental funds reported total fund balances of \$50,789,628, an increase of \$4,709,275 in comparison with the prior year's total ending fund balance. The components of total fund balance are as follows (for more information, see Note 9 – Fund Balances):

- *Non-spendable fund balance*, \$7,893,036 represents amounts that are not in spendable form, or are legally or contractually required to be maintained intact, and are made up of 1) advances and deposits of \$6,561,370; 2) roads inventory of \$1,322,916; 3) prepaid expenses of \$8,750.
- *Restricted fund balance*, \$37,258,263, consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations or enabling legislation. See the table in Note 9 for schedule of restricted funds.
- *Committed fund balance*, \$996,430; this would be amounts for specific purposes determined by the Board of Supervisors by resolution.
- *Assigned fund balance*, \$2,564,591, represents amounts designated by the Board of Supervisors or delegated representative in an informal manner (board minutes, budget, purchase order, contract, etc.);
- *Unassigned fund balance*, \$2,077,308, represents the residual classification for the County's General Fund of \$2,079,225 as well as governmental funds where expenditures exceeded the available (or allowable) funds in their respective special revenue funds, including the Fair Fund (\$1,646) and the Courthouse Construction Fund (\$271).

Approximately 84.46%, or \$42,896,592, of the total fund balance is available to meet the County's current and future needs. With the approval of the Board of Supervisors, County management can earmark a portion of the fund balance to a particular function, project or activity, and can be earmark for purposes beyond the current year, within the constraints applied to the various categories of the fund balance. With the exception of the non-spendable portion, fund balances are available for appropriation at any time.

COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)

General Fund: The General Fund is the main operating fund of the County. At June 30, 2019, the spendable fund balance consisted of unassigned totaling \$2,079,225, assigned totaling \$384,108 and restricted totaling \$139,612. The County's General Reserve, \$1,493,401, is included in the unassigned fund balance. Including \$6,561,370 in non-spendable funds, the total fund balance reached \$9,164,315, an increase of 3.65% or \$322,596 from the prior year.

As a measure of the General Fund's liquidity, it may be useful to compare both spendable & assigned and total fund balance to total fund expenditures. Spendable fund balances (restricted, assigned and unassigned) represents 14.13% of total General Fund expenditures and transfers out (a decrease of 2.62%); while the total fund balance represents 49.75% of total General Fund expenditures and transfers out.

The County's management also assigns (earmarks) fund balance to a particular function, project, or activity. Fund balance may also be assigned for purposes beyond the current year. However, the assigned fund balance is available for appropriation at any time.

Other Government Funds: The other major governmental funds' fund balances changed as follows: Road \$1,995,198 Health and Human Services (\$440,904), Public Safety \$161,362, Community Development \$314,781, Welfare Administration (\$387,696), Welfare Assistance \$373,463, County Local Revenue \$1,176,779. The non-major governmental funds changed by \$393,742.

The following County's governmental funds had two deficit fund balance, Fair (\$1,646) and the Courthouse Construction fund (\$271).

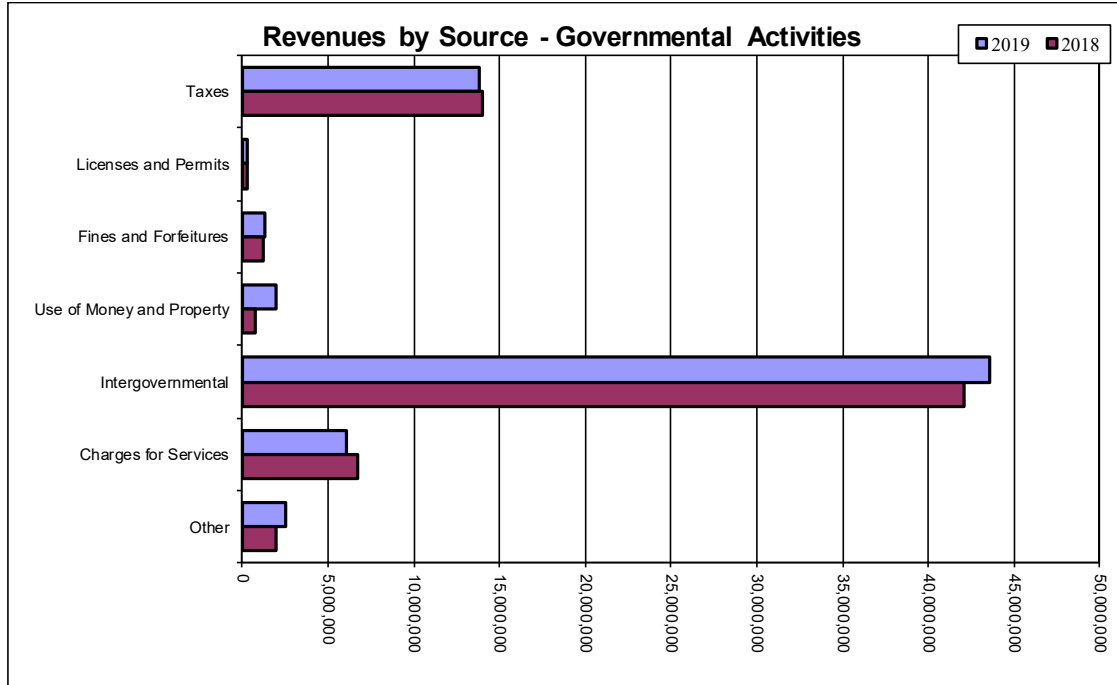
The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year:

Revenues Classified by Source Governmental Funds						
	2019		2018		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Revenue by Source:						
Taxes	\$ 13,812,169	19.86%	\$ 13,967,184	20.82%	\$ (155,015)	-1.11%
Licenses and Permits	288,723	0.42%	320,752	0.48%	(32,029)	-9.99%
Fines and Forfeitures	1,326,704	1.91%	1,239,712	1.85%	86,992	7.02%
Use of Money and Property	1,942,513	2.79%	732,961	1.09%	1,209,552	165.02%
Intergovernmental	43,554,725	62.63%	42,117,769	62.80%	1,436,956	3.41%
Charges for Services	6,092,355	8.76%	6,726,303	10.03%	(633,948)	-9.42%
Other	2,524,932	3.63%	1,964,841	2.93%	560,091	28.51%
Total	<u>\$ 69,542,121</u>	<u>100.00%</u>	<u>\$ 67,069,522</u>	<u>100.00%</u>	<u>\$ 2,472,599</u>	<u>3.69%</u>

COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)

The following graph shows an illustrative picture of where the County funds come from.



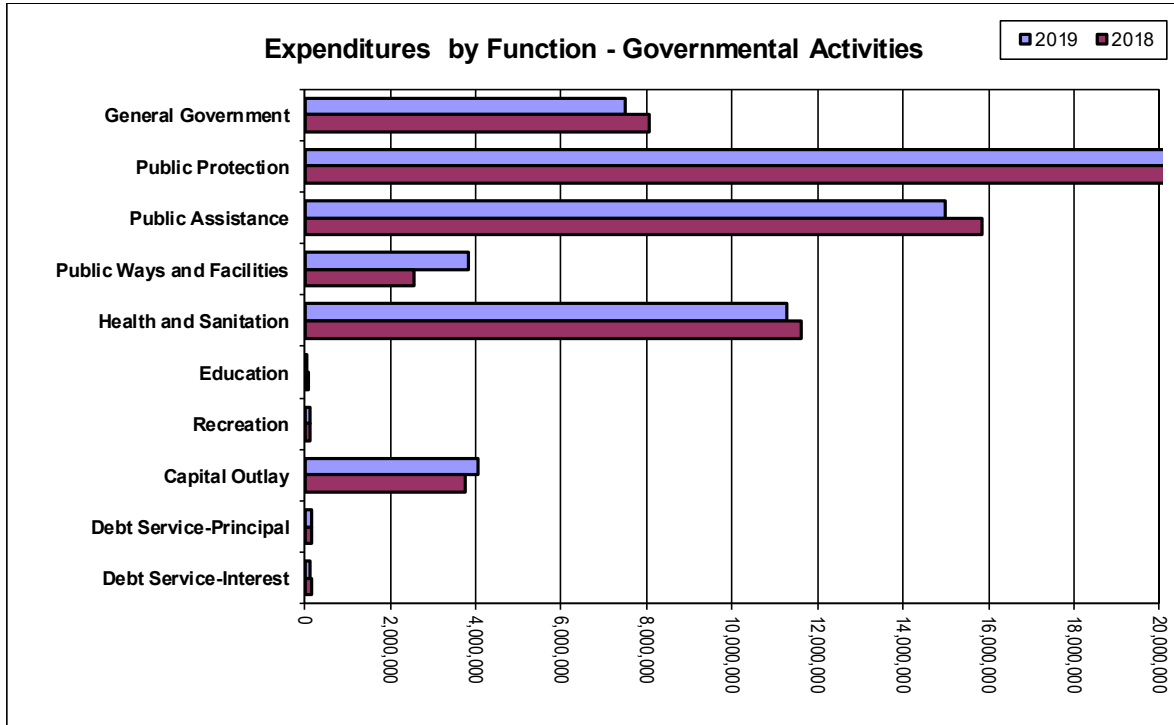
The following table presents expenditures by function compared to prior year amounts.

	Expenditures Classified by Function Governmental Funds					
	2019		2018		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Expenditures by Function:						
General Government	\$ 7,509,157	11.58%	\$ 8,056,693	12.63%	\$ (547,536)	-6.80%
Public Protection	22,698,995	35.01%	21,455,151	33.63%	1,243,844	5.80%
Public Assistance	14,975,723	23.10%	15,845,136	24.84%	(869,413)	-5.49%
Public Ways and Facilities	3,827,094	5.90%	2,562,729	4.02%	1,264,365	49.34%
Health and Sanitation	11,277,465	17.39%	11,613,625	18.21%	(336,160)	-2.89%
Education	71,676	0.11%	90,272	0.14%	(18,596)	-20.60%
Recreation	113,896	0.18%	113,464	0.18%	432	0.38%
Capital Outlay	4,062,552	6.27%	3,755,119	5.89%	307,433	8.19%
Debt Service-Principal	154,122	0.24%	148,194	0.00%	5,928	0.00%
Debt Service-Interest	146,092	0.23%	152,020	0.24%	(5,928)	0.00%
Total	<u>\$ 64,836,772</u>	<u>100.00%</u>	<u>\$ 63,792,403</u>	<u>99.77%</u>	<u>\$ 1,044,369</u>	<u>1.64%</u>

**COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)

The following graph shows an illustrative picture of how County funds were spent.



Other financing sources and uses, and special items are presented below to illustrate changes from the prior year.

**Other Financing Sources (Uses)
Governmental Funds**

	2019	2018	Increase (Decrease)	
			Amount	Percent
Transfers In	\$ 22,273,642	\$ 22,779,179	\$ (505,537)	-2.22%
Transfers Out	(22,273,642)	(22,779,179)	505,537	-2.22%
Net Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -

**COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)

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

Enterprise Funds report the business-type activities of the County. Enterprise funds are used to account for County Service Area #1 (Honey Lake TV).

**Net Changes in Net Position
Enterprise Funds**

	2019	2018	Increase (Decrease)	
			Amount	Percent
Total Net Position - Beginning	\$ 57,495	\$ 73,851	\$ (16,356)	-22.15%
Operating Revenues	99,212	53,734	45,478	84.64%
Operating Expenditures	(102,687)	(70,003)	(32,684)	46.69%
Operating Income (Loss)	(3,475)	(16,269)	12,794	-78.64%
Non-Operating Revenues (Expenses)	965	(87)	1,052	-1209.20%
Transfers In/Out	-	-	-	0.00%
Change Net Position	(2,510)	(16,356)	13,846	-84.65%
Fund Balance - Ending	\$ 54,985	\$ 57,495	\$ (2,510)	-4.37%

The net position of the enterprise fund decreased (\$2,510). Operating revenues increased 84.64% while operating expenses increased by 46.69%.

Internal service funds are an accounting device to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for information technology services and vehicle maintenance.

**Net Changes in Net Position
Internal Service Funds**

	2019	2018	Increase (Decrease)	
			Amount	Percent
Fund Balance - Beginning of Year, restated	\$ 1,978,786	\$ 1,923,994	\$ 54,792	2.85%
Revenues	1,455,765	1,461,136	(5,371)	-0.37%
Expenditures	(1,195,498)	(1,424,373)	228,875	-16.07%
Operating Income (Loss)	260,267	36,763	223,504	607.96%
Non-Operating Revenues (Expenses)	64,777	18,029	46,748	259.29%
Change Net Position	325,044	54,792	270,252	493.23%
Fund Balance - Ending	\$ 2,303,830	\$ 1,978,786	\$ 325,044	16.43%

Unrestricted net position of the internal service funds at June 30, 2018 was \$1,596,353. Net investment in capital assets was \$707,477.

**COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Supervisors revised the County's budget many times. Each time a grant or specific revenue enhancement is made available to a County program that requires new appropriations, a budget amendment is required.

The mid-year review is a formal process by which each department is analyzed for expense and revenue trends. Adjustments are recommended where indicated and monitored for the remainder of the year. Unless there is some unforeseen and unusual circumstance that causes a budget overrun, a draw on the Contingency Reserve is not recommended.

Differences between the General Fund original budget and the final amended budget resulted in a projected \$0 net increase in fund balance.

Even with these adjustments, actual expenditures and transfers were \$1,586,813 below final budgeted appropriation amounts. Resources available for appropriation were \$28,843 under the final budgeted resource amounts (this includes increase in Deposit with Trindel Self-Insurance Fund of \$867,419 and decrease in Federal Payment in Lieu of Taxes (PILT) of (\$246,527).

Differences between the final amended budget and actual amounts are summarized in the table below:

**Budgetary Comparison
General Fund**

	Original Budget	Final Budget	Net Change	
			Amount	Percent
Total Revenues	\$ 18,137,138	\$ 18,137,138	\$ -	0.00%
Total Expenditures	(10,365,814)	(10,365,814)	-	0.00%
Other Financing Sources (Uses)	(9,006,698)	(9,006,698)	-	0.00%
Net Change in Fund Balances	<u>\$ (1,235,374)</u>	<u>\$ (1,235,374)</u>	<u>\$ -</u>	<u>0.00%</u>

Differences between the final amended budget and actual amounts are summarized in the table below:

**Budgetary Comparison
General Fund**

	Final Budget	Actual Amounts	Net Change	
			Amount	Percent
Total Revenues	\$ 18,137,138	\$ 18,387,205	\$ 250,067	1.38%
Total Expenditures	(10,365,814)	(9,109,655)	1,256,159	-12.12%
Other Financing Sources (Uses)	(9,006,698)	(8,954,954)	51,744	-0.57%
Net Change in Fund Balances	<u>\$ (1,235,374)</u>	<u>\$ 322,596</u>	<u>\$ 1,557,970</u>	<u>-126.11%</u>

**COUNTY OF LASSEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

CAPITAL ASSETS

The County's total investment in capital assets as of June 30, 2018 amounted to \$50,117,848 net of accumulated depreciation and related debt. This investment in a broad range of capital assets includes land, infrastructure (roads and bridges), structures and improvements, and equipment. In June 2015, the County entered into a Capital Lease for the amount of the \$4,080,000, which is securitized by the juvenile hall building, the balance as of June 30, 2018 is \$3,498,177.

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

	Capital Assets					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Land	\$ 2,575,419	\$ 2,575,419	\$ -	\$ -	\$ 2,575,419	\$ 2,575,419
Structures and Improvements	26,731,489	26,534,946	-	-	26,731,489	26,534,946
Equipment	18,512,298	18,186,372	440,868	395,172	18,953,166	18,581,544
Infrastructure	74,074,850	73,519,790	-	-	74,074,850	73,519,790
Construction in Progress	8,193,600	5,182,081	-	-	8,193,600	5,182,081
Total	130,087,656	125,998,608	440,868	395,172	130,528,524	126,393,780
Accumulated Depreciation	(76,519,340)	(72,187,022)	(393,159)	(370,589)	(76,912,499)	(72,557,611)
Net Capital Assets	<u>\$ 53,568,316</u>	<u>\$ 53,811,586</u>	<u>\$ 47,709</u>	<u>\$ 24,583</u>	<u>\$ 53,616,025</u>	<u>53,836,169</u>

Components of the change in net capital assets for governmental activities are as follows:

	Additions	Retirements (Net)	Transfers	Prior Year Adjustments	Current Year Depreciation	Net Change
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in Progress	3,531,216	(10,450)	(509,247)	-	-	3,011,519
Infrastructure	45,813	9,955	509,247	-	(2,476,730)	(1,911,715)
Structures and Improvements	196,543	(9,955)	-	-	(780,959)	(594,371)
Equipment	347,926	-	-	-	(1,096,629)	(748,703)
Totals	<u>\$ 4,121,498</u>	<u>\$ (10,450)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,354,318)</u>	<u>\$ (243,270)</u>

LONG-TERM LIABILITIES

The long-term liabilities of the County include liabilities for compensated absences, insurance claims, capital leases and net pension liability. At June 30, 2019, the County had total long-term liabilities of \$56,565,709 of which \$3,135,485 will be due within one year and \$53,430,224 will be due beyond one year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lassen County Auditor's Office at 221 South Roop Street, Susanville, California 96130.

THIS PAGE IS LEFT BLANK INTENTIONALLY.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

THIS PAGE IS LEFT BLANK INTENTIONALLY.

COUNTY OF LASSEN
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 40,632,069	\$ 7,276	\$ 40,639,345
Imprest cash	19,058	-	19,058
Deposits with others	6,561,370	-	6,561,370
Interest receivable	406,908	-	406,908
Accounts receivable	177,276	-	177,276
Due from other governmental entities	7,124,909	-	7,124,909
Prepaid expense	8,750	-	8,750
Inventory	1,322,916	-	1,322,916
Long-term receivables, net of allowances	312,150	-	312,150
Capital assets:			
Nondepreciable	10,769,019	-	10,769,019
Depreciable, net	42,799,297	47,709	42,847,006
Total assets	110,133,722	54,985	110,188,707
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	8,796,091	-	8,796,091
Deferred outflows from OPEB	330,458	-	330,458
Total deferred outflows of resources	9,126,549	-	9,126,549
LIABILITIES			
Accounts payable	427,254	-	427,254
Salaries and benefits payable	1,043,425	-	1,043,425
Due to other governmental entities	236,821	-	236,821
Capital lease - due within one year	160,287	-	160,287
Compensated absences - due within one year	990,815	-	990,815
Claims and judgment payable - due within one year	1,984,383	-	1,984,383
Noncurrent liabilities:			
Capital lease - due in more than one year	3,337,890	-	3,337,890
Compensated absences - due in more than one year	330,271	-	330,271
Claims and judgment payable - due in more than one year	1,984,384	-	1,984,384
Net pension liability	46,327,947	-	46,327,947
Net OPEB liability	1,449,732	-	1,449,732
Total liabilities	58,273,209	-	58,273,209
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	962,207	-	962,207
Deferred inflows from OPEB	169,609	-	169,609
Total deferred inflows from pensions	1,131,816	-	1,131,816
NET POSITION			
Net investment in capital assets	50,070,139	47,709	50,117,848
Restricted	47,221,446	-	47,221,446
Unrestricted	(37,436,339)	7,276	(37,429,063)
Total net position	\$ 59,855,246	\$ 54,985	\$ 59,910,231

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LASSEN
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total
Primary Government:								
Governmental activities:								
General government	\$ 8,840,232	\$ 4,487,771	\$ 2,281,038	\$ 199,008	\$ 6,967,817	\$ (1,872,415)	\$ -	\$ (1,872,415)
Public protection	25,947,024	1,372,864	15,333,905	-	16,706,769	(9,240,255)	-	(9,240,255)
Public ways and facilities	6,740,692	47,183	6,076,335	2,684,984	8,808,502	2,067,810	-	2,067,810
Health and sanitation	12,755,135	1,280,893	8,584,552	-	9,865,445	(2,889,690)	-	(2,889,690)
Public assistance	14,921,768	543,182	9,618,567	-	10,161,749	(4,760,019)	-	(4,760,019)
Education	72,259	-	-	-	-	(72,259)	-	(72,259)
Recreation and culture	206,046	-	35,441	-	35,441	(170,605)	-	(170,605)
Interest on long-term debt	146,092	-	-	-	-	(146,092)	-	(146,092)
Total governmental activities	69,629,248	7,731,893	41,929,838	2,883,992	52,545,723	(17,083,525)	-	(17,083,525)
Business-type activities:								
County service area (Honey Lake TV)	102,687	99,212	-	-	99,212	-	(3,475)	(3,475)
Total business-type activities	102,687	99,212	-	-	99,212	-	(3,475)	(3,475)
Total primary government	\$ 69,731,935	\$ 7,831,105	\$ 41,929,838	\$ 2,883,992	\$ 52,644,935	(17,083,525)	(3,475)	(17,087,000)
General revenues:								
Taxes:								
Property taxes						9,029,051	-	9,029,051
Sales and use taxes						4,699,074	-	4,699,074
Other taxes						84,044	-	84,044
Miscellaneous						2,524,932	-	2,524,932
Unrestricted interest and investment earnings						1,882,662	965	1,883,627
Gain on sale of assets						(6,517)	-	(6,517)
Total general revenues and transfers						18,213,246	965	18,214,211
Change in net position						1,129,721	(2,510)	1,127,211
Net position - beginning of year						58,725,525	57,495	58,783,020
Net position - end of year						\$ 59,855,246	\$ 54,985	\$ 59,910,231

The notes to the basic financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

COUNTY OF LASSEN
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	Major Funds				
	General	Road	Community Development	Welfare Admin.	Welfare Assistance
ASSETS					
Cash and investments	\$ 2,239,784	\$ 3,906,249	\$ 1,875,719	\$ 3,914,241	\$ 7,316,305
Imprest cash	-	100	-	-	-
Deposits with others	6,561,370	-	-	-	-
Due from other governmental entities	280,634	460,994	-	1,023,043	215,922
Due from other funds	1,434	51,346	-	-	-
Interest receivable	406,908	-	-	-	-
Accounts receivable	128,597	-	13,019	-	-
Prepaid expenses	-	-	-	-	-
Inventory	-	1,322,916	-	-	-
Long-term receivables, net of allowances	-	-	312,150	-	-
Total assets	<u>\$ 9,618,727</u>	<u>\$ 5,741,605</u>	<u>\$ 2,200,888</u>	<u>\$ 4,937,284</u>	<u>\$ 7,532,227</u>
LIABILITIES					
Accounts payable	\$ 23,338	\$ 68,841	\$ -	\$ -	\$ -
Salaries and benefits payable	211,413	76,320	-	131,973	-
Due to other governmental entities	195,275	-	-	-	-
Due to other funds	24,386	-	-	-	-
Total liabilities	<u>454,412</u>	<u>145,161</u>	<u>-</u>	<u>131,973</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	1,023,043	-
Unavailable revenue - loans	-	-	325,168	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>325,168</u>	<u>1,023,043</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable:					
Deposits	6,561,370	-	-	-	-
Prepaid expenses	-	-	-	-	-
Inventory	-	1,322,916	-	-	-
Restricted	139,612	4,273,528	1,875,720	3,782,268	7,532,227
Committed	-	-	-	-	-
Assigned	384,108	-	-	-	-
Unassigned	2,079,225	-	-	-	-
Total fund balances	<u>9,164,315</u>	<u>5,596,444</u>	<u>1,875,720</u>	<u>3,782,268</u>	<u>7,532,227</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 9,618,727</u>	<u>\$ 5,741,605</u>	<u>\$ 2,200,888</u>	<u>\$ 4,937,284</u>	<u>\$ 7,532,227</u>

The notes to the basic financial statements are an integral part of this statement.

Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
Health and Human Services	Public Safety	County Local Revenue		
\$ 6,758,282	\$ 464,175	\$ 1,840,371	\$ 10,298,486	\$ 38,613,612
4,026	10,207	-	4,725	19,058
-	-	-	-	6,561,370
1,147,957	573,711	1,344,145	2,078,503	7,124,909
-	314,281	-	198,974	566,035
-	-	-	-	406,908
4,552	-	-	31,108	177,276
-	-	-	8,750	8,750
-	-	-	-	1,322,916
-	-	-	-	312,150
<u>\$ 7,914,817</u>	<u>\$ 1,362,374</u>	<u>\$ 3,184,516</u>	<u>\$ 12,620,546</u>	<u>\$ 55,112,984</u>
\$ 112,981	\$ 113,137	\$ 2,731	\$ 97,809	\$ 418,837
191,984	252,807	13,661	153,358	1,031,516
-	-	-	41,546	236,821
-	-	17,721	523,928	566,035
<u>304,965</u>	<u>365,944</u>	<u>34,113</u>	<u>816,641</u>	<u>2,253,209</u>
721,936	-	-	-	1,744,979
-	-	-	-	325,168
<u>721,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,070,147</u>
-	-	-	-	6,561,370
-	-	-	8,750	8,750
-	-	-	-	1,322,916
6,887,916	-	3,150,403	9,616,589	37,258,263
-	996,430	-	-	996,430
-	-	-	2,180,483	2,564,591
-	-	-	(1,917)	2,077,308
<u>6,887,916</u>	<u>996,430</u>	<u>3,150,403</u>	<u>11,803,905</u>	<u>50,789,628</u>
<u>\$ 7,914,817</u>	<u>\$ 1,362,374</u>	<u>\$ 3,184,516</u>	<u>\$ 12,620,546</u>	<u>\$ 55,112,984</u>

The notes to the basic financial statements are an integral part of this statement.

THIS PAGE IS LEFT BLANK INTENTIONALLY.

COUNTY OF LASSEN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2019

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

Total fund balances - government funds	\$ 50,789,628
Loans receivable and other long-term receivables are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	2,070,147
Capital assets used in governmental activities were not current financial resources; therefore, they were not reported in the governmental funds balance sheet.	52,860,839
Pension and OPEB related deferrals are reported as deferred outflows and inflows of resources on the statement of net position.	7,922,768
Internal service funds were used by the County to charge the cost of fleet services and telephone services to individual funds. The assets and liabilities of the internal service funds were included in governmental activities in the government-wide statement of net position.	2,303,830
Long-term liabilities were not due and payable in the current period; therefore, they were not reported in the governmental funds balance sheet.	
Compensated absences	(1,321,086)
Claims liability	(3,968,767)
Capital leases	(3,498,177)
Net pension liability	(45,872,688)
Net OPEB Liability	<u>(1,431,248)</u>
Total net position - governmental activities	<u>\$ 59,855,246</u>

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LASSEN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Major Funds				
	General	Road	Community Development	Welfare Admin.	Welfare Assistance
REVENUES					
Taxes	\$ 9,732,283	\$ -	\$ -	\$ -	\$ -
Licenses and permits	269,502	11,868	-	-	-
Intergovernmental	2,729,791	8,761,279	-	3,491,200	4,819,642
Charges for services	3,145,705	11,204	-	1,225	-
Fines and forfeitures	633,084	-	-	-	-
Use of money and property	512,330	93,435	-	124,982	-
Other revenues	<u>1,364,510</u>	<u>8,988</u>	<u>314,781</u>	<u>14,587</u>	<u>97,875</u>
Total revenues	<u>18,387,205</u>	<u>8,886,774</u>	<u>314,781</u>	<u>3,631,994</u>	<u>4,917,517</u>
EXPENDITURES					
Current:					
General government	5,934,561	-	-	-	-
Public protection	2,964,795	-	-	-	-
Public ways and facilities	-	3,797,264	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	108,716	-	-	7,442,659	6,259,940
Education	71,676	-	-	-	-
Recreation and culture	22,294	-	-	-	-
Capital outlay	7,613	3,098,245	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>9,109,655</u>	<u>6,895,509</u>	<u>-</u>	<u>7,442,659</u>	<u>6,259,940</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,277,550</u>	<u>1,991,265</u>	<u>314,781</u>	<u>(3,810,665)</u>	<u>(1,342,423)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	3,933	-	-	-
Transfers in	273,324	-	-	3,422,969	2,833,236
Transfers out	<u>(9,228,278)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(117,350)</u>
Total other financing sources (uses)	<u>(8,954,954)</u>	<u>3,933</u>	<u>-</u>	<u>3,422,969</u>	<u>2,715,886</u>
Net change in fund balances	322,596	1,995,198	314,781	(387,696)	1,373,463
Fund balances - beginning of year	<u>8,841,719</u>	<u>3,601,246</u>	<u>1,560,939</u>	<u>4,169,964</u>	<u>6,158,764</u>
Fund balances - end of year	<u>\$ 9,164,315</u>	<u>\$ 5,596,444</u>	<u>\$ 1,875,720</u>	<u>\$ 3,782,268</u>	<u>\$ 7,532,227</u>

The notes to the basic financial statements are an integral part of this statement.

Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
Health and Human Services	Public Safety	County Local Revenue		
\$ -	\$ 86,664	\$ -	\$ 3,993,222	\$ 13,812,169
4,646	1,415	-	1,292	288,723
3,487,048	2,487,665	8,002,470	9,775,630	43,554,725
1,837,499	409,933	-	686,789	6,092,355
8,187	7,870	-	677,563	1,326,704
236,071	4,783	-	970,912	1,942,513
<u>24,420</u>	<u>446,149</u>	<u>21,900</u>	<u>231,722</u>	<u>2,524,932</u>
<u>5,597,871</u>	<u>3,444,479</u>	<u>8,024,370</u>	<u>16,337,130</u>	<u>69,542,121</u>
-	660,420	-	914,176	7,509,157
215,437	12,473,550	619,535	6,425,678	22,698,995
-	-	-	29,830	3,827,094
8,685,122	-	-	2,592,343	11,277,465
1,157,002	-	-	7,406	14,975,723
-	-	-	-	71,676
-	-	-	91,602	113,896
24,608	71,387	-	860,699	4,062,552
-	-	-	154,122	154,122
<u>-</u>	<u>-</u>	<u>-</u>	<u>146,092</u>	<u>146,092</u>
<u>10,082,169</u>	<u>13,205,357</u>	<u>619,535</u>	<u>11,221,948</u>	<u>64,836,772</u>
<u>(4,484,298)</u>	<u>(9,760,878)</u>	<u>7,404,835</u>	<u>5,115,182</u>	<u>4,705,349</u>
-	-	-	-	3,933
4,129,423	9,942,745	-	1,671,945	22,273,642
<u>(86,029)</u>	<u>(20,505)</u>	<u>(6,228,056)</u>	<u>(6,593,424)</u>	<u>(22,273,642)</u>
<u>4,043,394</u>	<u>9,922,240</u>	<u>(6,228,056)</u>	<u>(4,921,479)</u>	<u>3,933</u>
(440,904)	161,362	1,176,779	193,703	4,709,282
<u>7,328,820</u>	<u>835,068</u>	<u>1,973,624</u>	<u>11,610,202</u>	<u>46,080,346</u>
<u>\$ 6,887,916</u>	<u>\$ 996,430</u>	<u>\$ 3,150,403</u>	<u>\$ 11,803,905</u>	<u>\$ 50,789,628</u>

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LASSEN
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

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

Net change in fund balances - governmental funds	\$ 4,709,282
--	--------------

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

Expenditures for general capital assets, infrastructure, and other related capital asset adjustments.	3,967,288	
Less current year disposal	(10,450)	
Less current year depreciation recorded in the government-wide financial statements.	(4,075,034)	(118,196)

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(4,465,974)
---	-------------

Changes to OPEB liability and OPEB related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	241,411
---	---------

Revenues that have not met the revenue recognition criteria in the fund financial statements are recognized as revenue in the government-wide financial statements. This amount represents the change in deferred revenue from the prior year.	1,223,359
--	-----------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Capital leases	154,122

Certain expenses reported in the statement of activities and changes in net position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	1,611
Change in claim liabilities	(940,938)

Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	325,044
---	---------

Change in net position of governmental activities	\$ 1,129,721
---	--------------

The notes to the basic financial statements are an integral part of this statement.

PROPRIETARY FUND FINANCIAL STATEMENTS

COUNTY OF LASSEN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities Enterprise Funds County Service Area (Honey Lake TV)	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 7,276	\$ 2,018,457
Total current assets	7,276	2,018,457
Noncurrent assets:		
Capital assets:		
Non-depreciable	-	109,478
Depreciable, net	47,709	597,999
Total noncurrent assets	47,709	707,477
Total assets	54,985	2,725,934
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows from pensions	-	80,055
Deferred outflows from OPEB	-	4,213
Total deferred outflows of resources	-	84,268
LIABILITIES		
Current liabilities:		
Accounts payable	-	8,417
Salaries and benefits payable	-	11,909
Total current liabilities	-	20,326
Noncurrent liabilities:		
Net pension liability	-	455,259
Net OPEB liability	-	18,484
Total noncurrent liabilities	-	473,743
Total liabilities	-	494,069
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from pensions	-	10,141
Deferred inflows from OPEB	-	2,162
Total deferred inflows of resources	-	12,303
NET POSITION		
Net investment in capital assets	47,709	707,477
Unrestricted	7,276	1,596,353
Total net position	\$ 54,985	\$ 2,303,830

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LASSEN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Funds County Service Area (Honey Lake TV)	Governmental Activities Internal Service Funds
Operating revenues:		
Charges for services	\$ 99,212	\$ 1,424,969
Other revenue	<u>-</u>	<u>30,796</u>
Total operating revenues	<u>99,212</u>	<u>1,455,765</u>
Operating expenses:		
Salaries and benefits	-	291,440
Services and supplies	80,117	624,774
Depreciation	<u>22,570</u>	<u>279,284</u>
Total operating expenses	<u>102,687</u>	<u>1,195,498</u>
Operating income (loss)	<u>(3,475)</u>	<u>260,267</u>
Nonoperating revenues (expenses):		
Investment earnings	<u>965</u>	<u>64,777</u>
Total nonoperating revenues (expenses)	<u>965</u>	<u>64,777</u>
Income (loss) before transfers	<u>(2,510)</u>	<u>325,044</u>
Change in net position	(2,510)	325,044
Net position, beginning of year	<u>57,495</u>	<u>1,978,786</u>
Net position, end of year	<u>\$ 54,985</u>	<u>\$ 2,303,830</u>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF LASSEN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities Enterprise Funds Nonmajor Funds	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 99,212	\$ -
Cash received from interfund services provided	-	1,455,765
Cash payments to suppliers for goods and services	(80,117)	(737,445)
Cash paid to employees for services	-	(365,683)
Net cash provided by (used for) operating activities	<u>19,095</u>	<u>352,637</u>
Cash flows from capital and related financing activities:		
Payments related to the acquisition of capital assets	<u>(45,696)</u>	<u>(154,210)</u>
Net cash provided by (used for) capital and related financing activities	<u>(45,696)</u>	<u>(154,210)</u>
Cash flows from investing activities:		
Investment earnings	<u>965</u>	<u>64,777</u>
Net cash provided by (used for) investing activities	<u>965</u>	<u>64,777</u>
Net increase (decrease) in cash and cash equivalents	(25,636)	263,204
Cash and cash equivalents, beginning of year	<u>32,912</u>	<u>1,755,253</u>
Cash and cash equivalents, end of year	<u><u>\$ 7,276</u></u>	<u><u>\$ 2,018,457</u></u>
Reconciliation of operating income (loss) to net cash provided by (used) for operating activities:		
Operating income (loss)	\$ (3,475)	\$ 260,267
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	22,570	279,284
Changes in assets and liabilities:		
(Increase)/decrease in deferred outflows of resources for pensions	-	71,303
(Increase)/decrease in deferred outflows of resources for OPEB	-	(4,213)
(Increase)/decrease in due from other government	-	(99,866)
Increase/(decrease) in accounts payable	-	(12,805)
Increase/(decrease) in accrued salaries	-	(485)
Increase/(decrease) in net pension liability	-	(142,440)
Increase/(decrease) in net OPEB liability	-	3,960
Increase/(decrease) in deferred inflows of resources for pensions	-	(2,957)
Increase/(decrease) in deferred inflows of resources for OPEB	-	589
Net cash provided by (used for) operating activities	<u><u>\$ 19,095</u></u>	<u><u>\$ 352,637</u></u>

The notes to the basic financial statements are an integral part of this statement.

FIDUCIARY FUND FINANCIAL STATEMENTS

COUNTY OF LASSEN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Investment Trust	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 41,196,743	\$ 12,309,096
Taxes receivable	<u>-</u>	<u>2,811,498</u>
Total assets	<u>41,196,743</u>	<u>15,120,594</u>
LIABILITIES		
Agency obligations	<u>-</u>	<u>15,120,594</u>
Total liabilities	<u>-</u>	<u>\$ 15,120,594</u>
NET POSITION		
Held in trust for investment pool participants	<u>\$ 41,196,743</u>	

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF LASSEN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Investment Trust</u>
ADDITIONS	
Contributions	\$ 83,320,678
Revenue from use of money and property	<u>742,726</u>
Total additions	<u>84,063,404</u>
DEDUCTIONS	
Distributions from pooled investment	<u>84,620,922</u>
Total deductions	<u>84,620,922</u>
Change in net position	(557,518)
Net position, beginning of year	<u>41,754,261</u>
Net position, end of year	<u><u>\$ 41,196,743</u></u>

The notes to the basic financial statements are an integral part of this statement.

THIS PAGE IS LEFT BLANK INTENTIONALLY.

NOTES TO THE BASIC FINANCIAL STATEMENTS

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the County of Lassen (the County) is presented to assist in understanding the County's financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

A. Financial Reporting Entity

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and data from these units are combined with the data of the County. Each component has a June 30 year-end.

Blended Component Units

The Lassen County Public Facilities Corporation (the "Corporation") is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State on July 1, 1998. The Corporation's Board of Directors members are named by designated county elected or appointed position held, per the Corporation's bylaws. The Corporation has no other members and has no employees.

The County exercises significant influence over operations of the Corporation as it is anticipated that the County will be the sole lessee of all facilities owned by the Corporation. All major financing arrangements, contracts, and other transactions of the Corporation will be reflected in the lease payments of the County. Any surpluses of the Corporation revert to the county at the end of the lease period.

The County has assumed "moral obligation", and potentially a legal obligation, for any debt incurred by the Corporation. The Corporation was formed to provide financing assistance to the County for construction and acquisition of major capital facilities. Upon completion, the County intends to occupy all Corporation facilities. The Corporation has assigned certain rights under the lease agreement to TPB Investments, Inc. c/o Western Alliance Bank. The Corporation's financial activity is presented in the financial statements as the Debt Service Fund. Capital Assets acquired or constructed by the Corporation are included in the Statement of Net Position-Governmental Activities column.

Lassen County Community Development Commission, the Bieber Lighting District, Lassen-Modoc Flood Control District, and County Service Area #1 are districts governed by the County Board of Supervisors. The component units' governing body is substantially the same as the primary government; hence, these units are presented by blending them with the primary government.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus

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. The accounting policies of the County conform to GAAP in the United States for local governmental units. The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose of which they are to be spent and means by which spending activities are controlled.

Government-Wide Financial Statements

The County's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the County accompanied by a total column. Fiduciary activities of the County are not included in these statements.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the County's net position and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the County in three categories:

- Fees, fines, and charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column, if any. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to and from other funds
- Advances to and from other funds
- Transfers in and out

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. The County has presented all major funds that met the applicable criteria.

The County reports the following major governmental funds:

General Fund accounts 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 legislative and administrative, personnel, finance, counselor, elections, and property management.

Road Fund accounts for all revenues and expenditures necessary to carry out basic governmental activities of the County that relate to public thoroughways not accounted for through other funds.

Community Development Fund, also known as Economic Development, is used to account for monies received from State and Federal governments and loaned by the County to individuals and businesses to encourage economic growth.

Welfare Administration Fund accounts for all revenue and expenditures necessary to carry out basic governmental activities of the County that relate to Social Services programs, including social services administration, general relief, protective and community services.

Welfare Assistance Fund accounts for all revenue and expenditures necessary to carry out basic governmental activities of the County related to social services programs including CalWORKS and Foster Care.

Health and Human Services Fund accounts for all revenues and expenditures necessary to carry out basic governmental activities of the County that relate to health programs, children's programs and veterans services, such as public health, mental health, veterans services, public guardian, and drug and alcohol programs.

Public Safety Fund accounts for all revenues and expenditures necessary to carry out basic governmental activities of the County that relate to Public Safety, such as police protection, detention, public defender, and district attorney.

County Local Revenue Fund accounts for funding activity associated with 2011 Public Safety Realignment and shall be used exclusively for public safety services as defined in statute.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Revenues are recognized when “measurable” and “available”. Measurable means knowing or being able to reasonably estimate the amount. Available means having been earned and collectible within the current period or within 60 days after year-end for property tax revenues, and 180 days after year-end with limited exceptions extending the availability period for certain grant revenues. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt service expenditures (principal and interest), as well as expenditures related to compensated absences, which are reported when due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Unavailable revenue arises when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable/unearned revenue is removed from the balance sheet and revenue is recognized.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Proprietary Fund Financial Statements

The County reports the following proprietary funds:

Enterprise Funds are used to report an activity for which a fee is charged to external users for goods and services. The County’s enterprise fund includes County Service Area #1, which provides telecommunication services and county business parks.

Internal Service Funds account for vehicle fleet maintenance and information technology operations that provide services to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. The County has no major proprietary funds.

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

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

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

The County reports the following Fiduciary Funds:

Investment Trust Funds account for the external portion of the County Treasurer's investment pool, which commingles resources of legally separate local governments within the County, in an investment portfolio for the benefit of all participants. These entities include school and community college districts, special districts that are governed by local boards, regional boards and authorities. The County separately maintains the entities' monies in individual funds; these funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

Agency Funds are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to entities at some future time. These funds account for assets held by the County in an agency capacity for other government units.

Fiduciary fund financial statements include a Statement of Fiduciary Net Position for Investment Trust Funds and all Agency Funds, and a Statement of Changes in Fiduciary Net Position for the Investment Trust Fund.

C. Cash, Cash Equivalents and Investments

The County follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and investments. Investments are stated at fair market value

For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the County operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

D. Receivables

Receivables consist mostly of amounts due from other government agencies. Management believes its receivables are fully collectible except for its long-term receivables on the Community Development Housing loans. It is the County's policy (with the exception of Community Development) to only record receivables as revenue at year-end and to verify those receivables are collected within 60 days. Any receivables noted that are expected to be received after 60 days are recorded as unavailable revenue in the governmental fund financial statements.

E. Deposits with Others

Deposits with others consist of deposits with Trindel Insurance Fund of \$6,561,370.

F. Inventory

Inventory is valued at cost. Road inventory consists of road supplies, fuel and various consumable items. The consumption method of accounting is used. The cost is recorded as an expenditure at the time individual inventory items are used. In governmental funds, reported inventories are equally offset by their categorization as "nonspendable" fund balances.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

Capital assets (including infrastructure and intangibles) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include assets consisting of roads, bridges, buildings, equipment, water/sewer systems, lighting systems, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide financial statements and proprietary funds.

Easement and right-a-way costs are included in the cost of the structure or infrastructure with which they are associated.

The estimated useful lives are as follows:

Infrastructure	5-50 years
Structures and improvements	7-40 years
Equipment	3-10 years

H. Compensated Absences

In the governmental funds, compensated absences (unpaid vacation and other compensatory time off) are recorded as expenditures in the year paid. The County's policy is to liquidate any unpaid vacation at June 30 from future resources rather than current available expendable resources, so the entire unpaid liability for the governmental funds is recorded in the government-wide financial statements.

Unused vacation benefits may be accrued up to a maximum of 254 hours and are paid to employees upon termination. Other compensatory time off is accrued and paid to employees upon termination at 100%. Unused sick leave benefits do not vest with the employee and are lost upon termination. Therefore, unused sick leave benefits have not been accrued.

I. Revenue Recognition - Property Taxes

Property taxes are levied on real and personal property known as secured and unsecured taxes, respectively. A mid-year completion of construction or transfer of property will generate a supplemental tax bill reflecting the market value at that time. This bill is in addition to the regular roll and may be due at various time of the year.

Property taxes attach as an enforceable lien on January 1. Taxes are levied on July 1 and are payable in two installments, December 10 and April 10. All general property taxes are then allocated by the County Auditor's Office to the various taxing entities per the legislation implementing Proposition 13. The method of allocation used by the County is subject to review by the State of California. County property tax revenues are recognized when levied in accordance with the guidelines for implementation of the Teeter Plan for reporting property taxes.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Revenue Recognition – Property Taxes (Continued)

The Teeter Plan allows the County to allocate secured and utility property taxes to jurisdictions, including the County, at 100% of the billed amount rather than the actual tax collection. The County collects all future delinquent tax payments, penalties and interest. Special tax assessments are not included in the Teeter Plan.

Once adopted, the Teeter Plan remains in effect unless either the County Board of Supervisors or resolutions from two-thirds of the participating jurisdictions order it discontinued.

J. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reports as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. In the governmental funds financial statements, the noncurrent advances between funds are offset by a corresponding nonspendable portion of fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

K. Use of Estimates

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

L. Net Position/Fund Balances

In the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of the assets.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of government.

Unrestricted – This amount is unrestricted by external creditors, grantors, contributors, or laws or regulations of governments. Unrestricted net position represents all resources that do not meet the definition of net investment in capital assets or restricted net position as defined above.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted first, and then unrestricted resources as they are needed.

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 cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Position/Fund Balances (Continued)

Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned fund balance – amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.

Unassigned fund balance – the residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by committed, assigned, and unassigned resources as needed.

The County has established a fund within the General Fund known as the General Reserve. The intended use of the fund is to have resources available for future budgetary and cash flow needs. For the period ending June 30, 2019, the General Reserve is included as part of the assigned fund balance of the General Fund.

The Board of Supervisors establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done in conjunction with the adoption of the budget and subsequent budget amendments that occur throughout the year.

M. Pensions

In government-wide financial statements, pensions are recognized and disclosed using the accrual basis of accounting (see Note 10 and the RSI section immediately following the notes to financial statements), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The County recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, measured as of the County's fiscal year-end or the County's proportionate share thereof in the case of a cost-sharing multiple-employer plan. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants including retirees, in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they arose. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Other Postemployment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's participation in the CalPERS Health Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

NOTE 2 - CASH AND INVESTMENTS

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily cash balance of each fund.

The investment pool includes both voluntary and involuntary participation from external entities. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

The County's investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust.

The County has established a treasury oversight committee to monitor and review the management of public funds maintained by the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

At June 30, 2019, total County cash and investments (excluding imprest funds of \$19,058) were as follows:

Cash:

Cash on hand	\$ 1,512
Cash in U.S. Bank	4,331,304
Outside Treasurer's Pool-EBT Account	270,970
Less outstanding warrants	<u>(2,378,740)</u>

Total deposits	<u>2,225,046</u>
----------------	------------------

Investments:

In Treasurer's Pool	<u>91,920,138</u>
---------------------	-------------------

Total investments	<u>91,920,138</u>
-------------------	-------------------

Total cash and investments	<u><u>\$ 94,145,184</u></u>
----------------------------	-----------------------------

Total cash and investments at June 30, 2019 were presented on the County's financial statements as follows:

Cash and investments in the Treasurer's Pool:

Primary government	\$ 40,639,345
Investment trust fund	41,196,743
Agency funds	<u>12,309,096</u>

Total cash and investments	<u><u>\$ 94,145,184</u></u>
----------------------------	-----------------------------

The carrying amounts of the County's cash deposits were \$2,223,534 at June 30, 2019. Bank balances as of June 30, 2019 were \$4,602,274 which were fully insured and collateralized with securities held by the pledging financial institutions in the County's name as discussed in the following.

The California Government Code (Code) requires California banks and savings and loan associations to secure the County's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County's name.

The market value of pledged securities must equal at least 110% of the County's cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits. The County may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

A. Investments

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, and concentration risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Issued by Lassen County	5 years	10%	No limit
U.S. Treasury Obligations	5 years	No limit	No limit
Supranationals	5 years	30%	No limit
Obligations to the State of California	1 year	10%	No limit
Other local agency bonds, notes or warrants	1 year	10%	No limit
		70% or 40%	
Federal agency obligations	5 years	callable issues	50%
Banker's acceptances	180 days	40%	10%
Commercial paper	270 days	40%	10%
Negotiable certificates of deposit	1 year	30%	10%
Medium-term corporate notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund	N/A	No limit	\$50M
Other local government pools	N/A	No limit	No limit

The County may also hold securities for the purpose of collateralizing its deposits in accordance with Sections 53651 and 53652 of the Government Code.

At June 30, 2019, the County had the following investments:

Investment Type	Interest Rates	Maturities	Cost	Fair Value	Percent of Portfolio
Certificates of Deposit	1.200% - 3.400%	8/12/19 - 5/30/24	\$ 15,232,000	\$ 15,234,148	16.57%
Corporate	1.550% - 3.375%	7/2/19- 5/16/23	10,275,983	10,243,370	11.15%
Federal Agency Issues - Coupon	0.875% - 2.770%	8/2/19 - 5/13/24	20,908,064	21,050,820	22.90%
Municipal	1.000% - 1.125%	8/15/19 - 8/1/23	8,294,770	8,345,693	9.08%
US Treasury	1.000% - 1.250%	6/30/19 - 12/31/19	2,215,029	2,218,935	2.41%
Supranationals	1.200% - 1.875%	12/1/20 - 10/7/22	5,913,228	5,955,260	6.48%
LAIF	0.0046	On demand	28,871,912	28,871,912	31.41%
			<u>\$ 91,710,986</u>	<u>\$ 91,920,138</u>	<u>100.00%</u>

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

B. Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

Investment Type	Fair Value	Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
Certificates of Deposit	\$ 15,234,148	\$ 1,972,124	\$ 3,667,327	\$ 3,914,108	\$ 3,927,915	\$ 1,752,674
Corporates	10,243,370	3,542,007	2,725,762	2,209,436	1,766,165	-
Federal Agency Issues - Coupon	21,050,820	8,990,650	2,977,530	2,993,880	4,049,840	2,038,920
Municipal	8,345,693	2,247,980	502,390	2,557,738	2,028,810	1,008,775
US Treasury	2,218,935	2,218,935	-	-	-	-
Supernationals	5,955,260	-	1,975,320	1,975,900	2,004,040	-
LAIF	28,871,912	28,871,912				
Total	<u>\$ 91,920,138</u>	<u>\$ 47,843,608</u>	<u>\$ 11,848,329</u>	<u>\$ 13,651,062</u>	<u>\$ 13,776,770</u>	<u>\$ 4,800,369</u>

C. Credit Risk

State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standard & Poor's or P-1 by Moody's Investors Service. State law and the County's Investment Policy also limit investments in corporate bonds to the rating of A by Standard & Poor's and Moody's Investors Service. The County does not have credit limits on government agency securities.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – CASH AND INVESTMENTS (Continued)

D. Concentrations of Credit Risk

At June 30, 2019, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds or medium-term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. governments, U.S. governmental agencies, or government-sponsored enterprises are exempt from these limitations.

At June 30, 2019, the County held its net investments in obligations of certificates of deposits (16.57%), corporate bonds (11.15%), federal agency issues (22.90%), municipal obligations (9.08%), US Treasury (2.41%), supranationals (6.48%), and the Local Agency Investment Fund (31.41%). These investments are not violations of state law or the investment policy, but are required disclosures for financial reporting.

The following is a summary of the credit quality distribution and concentration or credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2019:

	<u>Credit Quality Ratings</u>		<u>% of Portfolio</u>
	<u>Moody's</u>	<u>S&P</u>	
Certificates of Deposit	Aaa	AAA	16.57%
Corporate Bonds	A1	A-	11.15%
Federal Agency Issues - Coupon	AGY	AA+	22.90%
Municipal	Aa3	AA-	9.08%
US Treasury	TSY	TSY	2.41%
Supranationals	Aaa	N/A-AAA	6.48%
Local Agency Investment Fund	Not Rated	Not Rated	31.41%
Total			<u>100.00%</u>

E. Custodial Credit Risk

For investments and deposits held with fiscal agents custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year-end, the County's investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

F. Local Agency Investment Fund

The County is a participant in the Local Agency Investment Fund (LAIF) which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Local Investment Advisory Board (LAIF Board) has oversight responsibility for LAIF. The LAIF Board consists of five members designated by State statute.

Investments in LAIF are available on demand and are reported at fair value. At June 30, 2019, the County had \$28,871,912 invested in LAIF. That total amount invested by all public agencies in LAIF on that day was \$2,275,267,941.

G. County Investment Pool Summary

The following represents a summary of net position and changes in net position for the Treasurer's Investment Pool as of June 30, 2019:

Statement of Net Position:

Net position held for pool participants	\$ 94,145,184
Equity of internal investment pool participants	\$ 40,639,345
Equity of external investment pool participants	<u>53,505,839</u>
Total net position	<u>\$ 94,145,184</u>

Statement of Changes in Net Position:

Investment earnings	\$ 1,876,066
Investment expenses	(171,401)
Net change in investments by pool participants	<u>4,664,927</u>

Increase (decrease) in net position	6,369,592
-------------------------------------	-----------

Total net position:

Beginning of year	<u>87,775,592</u>
End of year	<u>\$ 94,145,184</u>

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

H. Investments Valuation

The County categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County does not have any investments that are measured using Level 1 or Level 3 inputs. Fair value measurements of the County's investments are as follows at June 30, 2019:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Level 2 Inputs</u>
Debt Securities:		
Certificates of Deposit	\$ 15,234,148	\$ 15,234,148
Corporate bonds	10,243,370	10,243,370
Federal Agency Issues - Coupon	21,050,820	21,050,820
Municipal	8,345,693	8,345,693
US Treasury	2,218,935	2,218,935
Supranationals	5,955,260	5,955,260
	<u>63,048,226</u>	<u>\$ 63,048,226</u>
Unclassified Investments		
LAIF	<u>28,871,912</u>	
Total Investments	<u>\$ 91,920,138</u>	

NOTE 3 - RECEIVABLES

Management believes its receivables are fully collectible except for certain long-term receivables on loans recorded in the Community and Economic Development, a major fund. At June 30, 2019, the gross amount of these receivables was \$477,399 (includes current portion of \$13,019), and the allowance for uncollectible accounts was \$152,230, which resulted in a net amount of \$325,169.

<u>Loan Type</u>	<u>Balance as of June 30, 2019</u>
HUD - Home 93	\$ 14,019
CDBG - 317 Rev	8,728
HUD - Home 94	87,871
CDBG - 89 RLF	7,963
CDBG	<u>358,818</u>
Total loans receivable	477,399
Less: allowance for doubtful accounts	<u>(152,230)</u>
Total loans receivable	<u>\$ 325,169</u>

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - CAPITAL ASSETS

A. Government-Wide Financial Statements

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

	Balance June 30, 2018	Additions	Retirements & Adjustments	Transfers	Balance June 30, 2019
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 2,575,419	\$ -	\$ -	\$ -	\$ 2,575,419
Construction in progress	5,182,081	3,531,216	(10,450)	(509,247)	8,193,600
Total capital assets, not being depreciated	7,757,500	3,531,216	(10,450)	(509,247)	10,769,019
Capital assets, being depreciated:					
Infrastructure	73,519,790	45,813	-	509,247	74,074,850
Structures and improvements (includes leasehold improvements)	26,534,946	196,543	-	-	26,731,489
Equipment	18,186,372	347,926	(22,000)	-	18,512,298
Total capital assets, being depreciated	118,241,108	590,282	(22,000)	509,247	119,318,637
Less accumulated depreciation for:					
Infrastructure	(43,150,744)	(2,476,730)	9,955	-	(45,617,519)
Structures and improvements (includes leasehold improvements)	(14,319,669)	(780,959)	(9,955)	-	(15,110,583)
Equipment	(14,716,609)	(1,096,629)	22,000	-	(15,791,238)
Total accumulated depreciation	(72,187,022)	(4,354,318)	22,000	-	(76,519,340)
Total capital assets, being depreciated, net	46,054,086	(3,764,036)	-	509,247	42,799,297
Governmental activities capital assets, net	\$ 53,811,586	\$ (232,820)	\$ (10,450)	\$ -	\$ 53,568,316

Depreciation expense was charged to governmental functions as follows:

General government	\$ 398,969
Public protection	679,677
Public ways and facilities	2,780,525
Health and sanitation	47,918
Public assistance	86,952
Recreation and culture	80,993
Internal service funds	279,284
Total	<u>\$ 4,354,318</u>

Depreciation on capital assets held by the County's internal service funds is charged to the various functions based on their usage of the assets.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - CAPITAL ASSETS (Continued)

A. Government-Wide Financial Statements (Continued)

Capital assets activity of the business-type activities for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Business-Type Activities					
Capital assets, being depreciated					
Equipment	\$ 395,172	\$ 45,696	\$ -	\$ -	\$ 440,868
Total capital assets, being depreciated	<u>395,172</u>	<u>45,696</u>	<u>-</u>	<u>-</u>	<u>440,868</u>
Less accumulated depreciation for:					
Equipment	<u>(370,589)</u>	<u>(22,570)</u>	<u>-</u>	<u>-</u>	<u>(393,159)</u>
Total accumulated depreciation	<u>(370,589)</u>	<u>(22,570)</u>	<u>-</u>	<u>-</u>	<u>(393,159)</u>
Total capital assets, being depreciated, net	<u>24,583</u>	<u>23,126</u>	<u>-</u>	<u>-</u>	<u>47,709</u>
Business-type activities capital assets, net	<u>\$ 24,583</u>	<u>\$ 23,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,709</u>

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

County Service Area (Honey Lake TV)	<u>\$ 22,570</u>
Total	<u><u>\$ 22,570</u></u>

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - LONG-TERM DEBT

The following is a summary of long-term liability transactions for the year ended June 30, 2019:

	Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2019</u>	Due Within <u>One Year</u>	Due in More <u>Than One Year</u>
Governmental Activities:						
Compensated absences	\$ 1,322,697	\$ -	\$ (1,611)	\$ 1,321,086	\$ 990,815	\$ 330,271
Claims liability	3,027,830	1,892,070	(951,133)	3,968,767	1,984,383	1,984,384
Direct borrowing:						
Capital lease	<u>3,652,299</u>	<u>-</u>	<u>(154,122)</u>	<u>3,498,177</u>	<u>160,287</u>	<u>3,337,890</u>
Total long-term liabilities	<u>\$ 8,002,826</u>	<u>\$ 1,892,070</u>	<u>\$ (1,106,866)</u>	<u>\$ 8,788,030</u>	<u>\$ 3,135,485</u>	<u>\$ 5,652,545</u>

Claims liability has typically been liquidated from the General Fund. Compensated absences are generally liquidated by the General Fund. The capital lease is the responsibility of the General Fund.

NOTE 6 - LEASE COMMITMENTS

A. Operating Leases

The County is committed under various non-cancelable operating leases for office buildings. The minimum future lease commitments on these leases are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>
2020	\$ 457,357
2021	<u>195,129</u>
Total	<u>\$ 652,486</u>

Rent expenditures were \$768,891 for the year ended June 30, 2019.

B. Capital Leases

On June 4, 2015, the County entered into a twenty-year capital lease agreement under which the related building would become the property of the County at the end of the lease agreement. The lease agreement is secured by the leased property and includes a provision, whereby, in an event of default, the County will surrender its possession of the leased property and pay the lessor for any costs in relation to the return of the property.

The following is a summary of the County's capital lease agreement as of June 30, 2019:

	Stated <u>Interest Rate</u>	Present Value of Remaining Payments <u>as of June 30, 2019</u>
Juvenile Hall	4%	\$3,498,177

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 - LEASE COMMITMENTS (Continued)

B. Capital Leases (Continued)

As of June 30, 2019, future minimum lease payments under capital leases was as follows:

<u>Year Ending June 30:</u>	
2020	\$ 300,214
2021	300,214
2022	300,214
2023	300,214
2024	300,214
2025-2029	1,501,068
2030-2034	1,501,068
2035	300,213
Total Future Minimum Lease Payments	4,803,419
Less: Interest	(1,305,242)
Present Value of Minimum Lease Payments	<u>\$ 3,498,177</u>

NOTE 7 - INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables

Interfund receivables and payables represent borrowing between funds and regular services and supplies provided but not settled at year-end. The composition of interfund balances as of June 30, 2019 was as follows:

Due to/from Other Funds

Between Funds within the Governmental Activities

Current interfund balances arise in the normal course of operations and are expected to be repaid shortly after the end of the fiscal year.

<u>Due to Other Funds</u>	<u>Due from Other Funds</u>							
	<u>Major Funds</u>				<u>Nonmajor Governmental Funds</u>			
	<u>General Fund</u>	<u>Roads</u>	<u>Health and Human Services</u>	<u>Public Safety</u>	<u>Probation</u>	<u>TCF/Bailiff</u>	<u>Capital Improvements</u>	<u>Courthouse Square Project</u>
								<u>Total</u>
Major Fund:								
General Fund	\$ -	\$ 8,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,084
County Local Revenue	-	-	-	-	17,721	-	-	-
Nonmajor Governmental Funds:								
DA Contracts	-	-	-	119,225	-	-	-	-
Prop 56 - Tobacco	-	-	-	16,099	-	-	-	-
CCF Equipment Replacement	-	-	-	93,702	-	-	-	-
Natural Resources	-	1,498	-	-	-	-	-	-
Courthouse Square Construction	-	-	-	-	-	-	151,578	-
USDA Title III	-	41,546	-	-	-	-	-	-
Prison Trial Program	1,434	-	-	85,255	7,486	6,105	-	-
Total	<u>\$ 1,434</u>	<u>\$ 51,346</u>	<u>\$ -</u>	<u>\$ 314,281</u>	<u>\$ 25,207</u>	<u>\$ 6,105</u>	<u>\$ 151,578</u>	<u>\$ 16,084</u>
								<u>\$ 566,035</u>

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 - INTERFUND TRANSACTIONS (Continued)

A. Interfund Receivables/Payables (Continued)

Transfers In/Out

Between Funds within the Governmental Activities

Transfers are for funding of capital projects, lease payments, debt service, and subsidies of various County operations and re-allocations of special revenues. The following schedule summarizes the County's transfer activity:

	Transfers Out		Transfers In						
	Major Funds				Nonmajor Governmental Funds				Total
	General	Welfare Admin.	Welfare Assistance	Health and Human Services	Public Safety	Special Revenue	Capital Projects	Debt	
Major Funds:									
General	\$ -	\$ 520,750	\$ 160,000	\$ 52,222	\$ 7,774,150	\$ 407,177	\$ 12,979	\$ 301,000	\$ 9,228,278
Welfare Assistance	-	-	-	117,350	-	-	-	-	117,350
Health and Human Services	6,318	-	-	-	-	79,711	-	-	86,029
Public Safety	-	-	-	-	-	505	20,000	-	20,505
County Local Revenue	-	1,592,958	1,998,467	1,396,091	644,577	595,963	-	-	6,228,056
Nonmajor Governmental Funds:									
Special Revenue	167,006	1,309,261	674,769	2,563,760	1,524,018	34,610	-	-	6,273,424
Capital Projects	100,000	-	-	-	-	110,000	110,000	-	320,000
Total	\$ 273,324	\$ 3,422,969	\$ 2,833,236	\$ 4,129,423	\$ 9,942,745	\$ 1,227,966	\$ 142,979	\$ 301,000	\$ 22,273,642

Between Governmental and Business-Type Activities

There were no transfers between governmental and business-type activities during the fiscal year ended June 30, 2019.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The County has pension related items that qualify to be reported in deferred outflows of resources. The pension related deferred outflows of resources are described in detail in Note 10.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or 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 has two types of items that qualify for reporting in this category and they are unavailable revenues and pension deferrals.

- Unavailable revenues arise only under a modified accrual basis of accounting and is reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds for unavailable revenues are as follows:

	<u>Unavailable</u>	<u>Total</u>
Governmental Activities:		
Community Development:		
Unavailable revenue	\$ 1,744,979	\$ 1,744,979
Long-term loans receivable	<u>325,168</u>	<u>325,168</u>
Total	<u>\$ 2,070,147</u>	<u>\$ 2,070,147</u>

- The County has pension related items that qualify to be reported in deferred inflows of resources and deferred outflows of resources, which are described in detail in Note 10.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 – FUND BALANCES

A detailed schedule of fund balances at June 30, 2019 was as follows:

	General	Roads	Community Develop.	Welfare Admin.	Welfare Assistance	Health and Human Services	Public Safety	County Local Revenue	Nonmajor Governmental	Total
Nonspendable:										
Advances and Deposits	\$ 6,561,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,561,370
Self-Insurance	-	-	-	-	-	-	-	-	8,750	8,750
Inventory	-	1,322,916	-	-	-	-	-	-	-	1,322,916
Total Nonspendable Fund Balance	6,561,370	1,322,916	-	-	-	-	-	-	8,750	7,893,036
Restricted:										
Purpose of Fund	-	4,273,528	1,875,720	3,782,268	7,532,227	6,887,916	-	3,150,403	-	27,502,062
Self-Insurance	77,791	-	-	-	-	-	-	-	-	77,791
Mental Health Services Act	-	-	-	-	-	-	-	-	2,441,202	2,441,202
Emergency Services	61,821	-	-	-	-	-	-	-	-	61,821
HHS Contracts	-	-	-	-	-	-	-	-	202,594	202,594
Aviation	-	-	-	-	-	-	-	-	394,412	394,412
TCF/Bailiff	-	-	-	-	-	-	-	-	102,795	102,795
Supplemental Law Enforcement	-	-	-	-	-	-	-	-	181,860	181,860
Vital Statistics	-	-	-	-	-	-	-	-	86,645	86,645
Recorder Micrographics	-	-	-	-	-	-	-	-	158,665	158,665
Recorder Modernization	-	-	-	-	-	-	-	-	151,280	151,280
Recorder AB130	-	-	-	-	-	-	-	-	44,799	44,799
Inmate Welfare - County	-	-	-	-	-	-	-	-	120,134	120,134
Narcotics Asset Forfeiture	-	-	-	-	-	-	-	-	1,169	1,169
Narcotics Task Force	-	-	-	-	-	-	-	-	67,588	67,588
Bieber Lighting District	-	-	-	-	-	-	-	-	30,136	30,136
Lassen-Modoc Flood Control	-	-	-	-	-	-	-	-	165,103	165,103
Geothermal	-	-	-	-	-	-	-	-	268,485	268,485
Mental Health Realignment	-	-	-	-	-	-	-	-	1,251,795	1,251,795
Social Services Realignment	-	-	-	-	-	-	-	-	2,592,594	2,592,594
Public Health Realignment	-	-	-	-	-	-	-	-	215,070	215,070
County Children's Fund	-	-	-	-	-	-	-	-	21,344	21,344
Prop 56 - Tobacco	-	-	-	-	-	-	-	-	5,668	5,668
Sheriff DNA	-	-	-	-	-	-	-	-	184,400	184,400
USDA Title III	-	-	-	-	-	-	-	-	140,220	140,220
Child Support	-	-	-	-	-	-	-	-	174,572	174,572
Criminal Justice Facility Const.	-	-	-	-	-	-	-	-	262,467	262,467
Courthouse Construction	-	-	-	-	-	-	-	-	351,592	351,592
Total Restricted Fund Balance	139,612	4,273,528	1,875,720	3,782,268	7,532,227	6,887,916	-	3,150,403	9,616,589	37,258,263
Committed										
Purpose of Fund	-	-	-	-	-	-	996,430	-	-	996,430
Total Restricted Fund Balance	-	-	-	-	-	-	996,430	-	-	996,430
Assigned										
Purpose of Fund	-	-	-	-	-	-	-	-	-	-
General Contract - PTA	170,481	-	-	-	-	-	-	-	-	170,481
Emergency Services	-	-	-	-	-	-	-	-	-	-
Property Tax Delinquent Costs	42,995	-	-	-	-	-	-	-	-	42,995
Tobacco Settlement	139,639	-	-	-	-	-	-	-	-	139,639
Loss Prevention	6,481	-	-	-	-	-	-	-	-	6,481
Inmate Welfare - State	24,512	-	-	-	-	-	-	-	-	24,512
Fish and Game	-	-	-	-	-	-	-	-	3,078	3,078
DA Contract	-	-	-	-	-	-	-	-	6,928	6,928
Sheriff Contracts	-	-	-	-	-	-	-	-	215,025	215,025
Cemetery	-	-	-	-	-	-	-	-	71,723	71,723
Aviation	-	-	-	-	-	-	-	-	53,050	53,050
Natural Resources	-	-	-	-	-	-	-	-	22,512	22,512
Probation Fund	-	-	-	-	-	-	-	-	276,583	276,583
Capital Improvements	-	-	-	-	-	-	-	-	35,685	35,685
Capital Improvements Lease	-	-	-	-	-	-	-	-	690,826	690,826
Accumulated Capital Outlay	-	-	-	-	-	-	-	-	629,709	629,709
Fairgrounds Improvements	-	-	-	-	-	-	-	-	3,268	3,268
CCF Equipment Replacement	-	-	-	-	-	-	-	-	4,857	4,857
Jail Facilities Construction	-	-	-	-	-	-	-	-	18,671	18,671
Debt Service	-	-	-	-	-	-	-	-	2,554	2,554
Prison Trial Program	-	-	-	-	-	-	-	-	146,014	146,014
Total Assigned Fund Balance	384,108	-	-	-	-	-	-	-	2,180,483	2,564,591
Unassigned:										
Purpose of Fund	2,079,225	-	-	-	-	-	-	-	-	2,079,225
Fair	-	-	-	-	-	-	-	-	(1,646)	(1,646)
Courthouse Square Construction	-	-	-	-	-	-	-	-	(271)	(271)
Total Unassigned Fund Balance	2,079,225	-	-	-	-	-	-	-	(1,917)	2,077,308
Total Fund Balances	\$ 9,164,315	\$ 5,596,444	\$ 1,875,720	\$ 3,782,268	\$ 7,532,227	\$ 6,887,916	\$ 996,430	\$ 3,150,403	\$ 11,803,905	\$ 50,789,628

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 - PENSION PLANS

AGENT MULTIPLE EMPLOYER PLANS

A. General Information

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

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 Miscellaneous Plan are applied as specified by the Public Employees' Retirement Law.

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. Pursuant to PEPRA, the Miscellaneous Plan is closed to new entrants as of January 1, 2013.

The Plans' provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Miscellaneous		
	1st Tier	2nd Tier	PEPRA
Hire date	Prior to January 1, 2011	January 1, 2011 thru December 31, 2012	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7.000%	7.000%	6.250%
Required employer contribution rates	8.054%	8.054%	8.054%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The County's required contribution for the unfunded liability was \$1,675,810 for the fiscal year ended June 30, 2019.

Employees Covered - At the June 30, 2017 valuation date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	362
Inactive employees entitled to but not yet receiving benefits	597
Active employees	566
Total	1,525

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

A. General Information (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the 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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The County’s contributions to the plan recognized as a part of pension expense for the year ended June 30, 2019 were \$3,040,426.

B. Net Pension Liability

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

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

	<u>Miscellaneous</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate Return	7.50% (1)
Mortality	Derived using CalPERS' Membership data for all Funds (2)

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

(2) The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Change of Assumptions – In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

B. Net Pension Liability (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all the funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), 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 PERF fund. The expected rate of return was set by calculating the rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

<u>Asset Class (a)</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(b)</u>	<u>Real Return Years 11+(c)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities;

Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.5% used for this period.

(c) An expected inflation of 3.0% used for this period.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 - PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

C. Changes in the Net Pension Liability

The Net Pension Liability balance includes a portion attributable to superior court employees. These employees are not employees of the County of Lassen; however, disaggregated information was not available from CalPERS. The effect of this liability was deemed immaterial to the overall Net Pension Liability by County management.

The changes in the Net Pension Liability for the Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2017 (Measurement Date)	<u>\$ 125,690,424</u>	<u>\$ 93,727,899</u>	<u>\$ 31,962,525</u>
Changes in the year:			
Service cost	2,738,532		2,738,532
Interest on the total pension liability	8,908,234		8,908,234
Changes in benefit terms	-		-
Changes of assumptions	(772,838)		(772,838)
Differences between expected and actual experience	1,468,640		1,468,640
Plan to plan resource movement		(231)	231
Contributions - employer		2,620,469	(2,620,469)
Contributions - employee		1,212,019	(1,212,019)
Net investment income		7,908,533	(7,908,533)
Benefit payments, including refunds of employee contributions	(6,329,626)	(6,329,626)	-
Administrative expenses		(146,783)	146,783
Other Miscellaneous Income/(Expense) ¹		(278,743)	278,743
Net changes	<u>6,012,942</u>	<u>4,985,638</u>	<u>1,027,304</u>
Balance at June 30, 2018 (Measurement Date)	<u><u>\$ 131,703,366</u></u>	<u><u>\$ 98,713,537</u></u>	<u><u>\$ 32,989,829</u></u>

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net position liability of the County for the Miscellaneous Plan, calculated using the discount rate for the Miscellaneous Plan, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	Current Discount Rate	1% Increase
6.15%	7.15%	8.15%
<u>\$ 49,564,690</u>	<u>\$ 32,989,829</u>	<u>\$ 18,382,264</u>

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 - PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

D. Pension Expenses Deferred Outflows/Inflows of Resources Related to Pensions

County recognized pension expense, deferred outflows or resources and deferred inflows of resources included a portion attributable to superior court employees. These employees are not employees of the County of Lassen; however, disaggregated information was not available from CalPERS. The effect of this liability was deemed immaterial to the overall Net Pension Liability by County management.

For the year ended June 30, 2019, the County recognized pension expense of \$6,723,735. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,040,426	\$ -
Changes in assumptions	1,149,116	463,702
Differences between actual and expected experience	881,184	200,127
Net differences between projected and actual earnings on plan investments	322,374	-
Total	<u>\$ 5,393,100</u>	<u>\$ 663,829</u>

\$3,040,426 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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:

Year Ending June 30	
2020	\$ 2,467,726
2021	434,102
2022	(955,210)
2023	(257,773)
2024	-
Thereafter	-

E. Payable to the Pension Plan

The County reported a payable of \$70,183 for an outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 - PENSION PLANS (Continued)

COST-SHARING EMPLOYER PLANS

A. General Information

Plan Description - All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The County of Lassen (County) sponsors three safety rate plans. Benefit provisions under the Plan are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The rate plan provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Safety		
	1st Tier	2nd Tier	PEPRA
Hire date	Prior to January 1, 2011	January 1, 2011 thru December 31, 2012	On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.000%	2.400% to 3.000%	1.426% to 2.000%
Required employee contribution rates	9.000%	9.000%	11.500%
Required employer contribution rates	20.556%	17.614%	12.141%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The County's required contribution for the unfunded liability was \$1,058,213 for the fiscal year ended June 30, 2019.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – PENSION PLANS (Continued)

COST-SHARING EMPLOYER PLANS (Continued)

A. General Information (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the 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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions

The County’s contributions to the plan recognized as a part of pension expense for the year ended June 30, 2018 were \$1,463,196.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the County reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$13,338,118.

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

Proportion - June 30, 2017	0.2269%
Proportion - June 30, 2018	0.2273%
Change - Increase (Decrease)	0.0004%

For the year ended June 30, 2019, the County recognized pension expense of \$2,318,098. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,609,527	\$ -
Changes of assumptions	1,285,674	173,460
Differences between actual and expected experience	281,548	1,068
Net differences between projected and actual earnings on plan investments	88,718	-
Changes in employer's proportion	-	85,670
Differences between the employer's actual contributions and the employer's proportionate share of contributions	137,524	38,180
Total	<u>\$ 3,402,991</u>	<u>\$ 298,378</u>

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 - PENSION PLANS (Continued)

COST-SHARING EMPLOYER PLANS (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$1,609,527 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	
2020	\$ 1,229,970
2021	715,234
2022	(359,360)
2023	(90,758)
2024	-
Thereafter	-

C. Actuarial Assumptions

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

	<u>Safety</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
	Varies by Entry Age and
Projected Salary Increase	Service
Investment Rate of Return	7.50% ⁽¹⁾
Mortality	Derived using CalPERS' Membership data for all Funds ⁽²⁾

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

⁽²⁾ The mortality table was developed based on CalPERS specific data.

The table includes 20 years of mortality improvements using Society of Actuaries Scale BB

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

Change of Assumptions - In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – PENSION PLANS (Continued)

COST-SHARING EMPLOYER PLANS (Continued)

D. Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 expense and inflation) are developed for each major asset class.

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

The expected real rates of return by asset class are as follows:

Asset Class ^(a)	New Strategic Allocation	Real Return Years 1-10 ^(b)	Real Return Years 11+ ^(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

^(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities;

Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

^(b) An expected inflation of 2.5% used for this period.

^(c) An expected inflation of 3.0% used for this period.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – PENSION PLANS (Continued)

COST-SHARING EMPLOYER PLANS (Continued)

D. Discount Rate (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
\$ 20,127,591	\$ 13,338,118	\$ 7,775,360

E. Pension Plan Fiduciary Net Position

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

F. Payable to the Pension Plan

The County reported a payable of \$37,231 for an outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

Employees that meet the following requirements are eligible for coverage under the County’s CalPERS Health Program (OPEB Plan): 1) has 5 or more years of service with the County; 2) is at least 50 years of age at the date of retirement; and 3) is employed by the County at the time of retirement. During the year ended June 30, 2013, the County established an irrevocable trust with CalPERS, California Employers’ Retiree Benefit Trust Fund (CERBT) to pre-fund post-employment benefits. The County chose to contribute \$4,143,234 or 100% of the actuarial accrued liability as determined in the June 30, 2011 valuation.

B. Employees Covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB plan:

	<u>Miscellaneous</u>
Inactive plan member or beneficiaries currently receiving benefits	114
Inactive plan members entitled to but not yet receiving benefits	-
Active employees	464
Total	578

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

C. Contributions

The County has elected to contribute toward the cost of premiums, for the retiree and spouse, up to a maximum monthly amount, which is specified in the County's bargaining agreements with its employee groups. The minimum employer contribution specified by CalPERS for 2019 is \$122 per month and is currently less than the County's paid contribution. For the fiscal year ended June 30, 2019, the County paid premiums totaling \$389,501, but did not make any contributions directly to the plan.

D. Net OPEB Liability

The County's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	7.00%
Inflation	2.50%
Projected Salary Increase	3.25% per annum, in aggregate
Investment Rate Return	7.0%
Mortality Rate ⁽¹⁾	Derived using CalPERS' Membership data for all Funds
Pre-Retirement Turnover ⁽²⁾	Derived using CalPERS' Membership data for all Funds
Healthcare Cost Trend Rates	6.00% (HMO) and 6.5% (PPO), trending down to 5.00% thereafter

⁽¹⁾ Pre-retirement mortality information was derived from data collected during the 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CALPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website (www.calpers.ca.gov) under Forms and Publications.

⁽²⁾ Pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website (www.calpers.ca.gov) under Forms and Publications.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

D. Net OPEB Liability (Continued)

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

Asset Class	Target Allocation	Long-term expected real rate of return
Global Equity	40.0%	5.50%
Global Debt Securities	43.0%	2.35%
Inflation Assets	5.0%	1.50%
Commodities	4.0%	1.75%
REITs	8.0%	3.65%
Total	<u>100%</u>	

E. Discount Rate

The discount rate used to measure the total OPEB liability is 7.00%. This is the expected long-term rate of return on County assets using investment Strategy 1 within the California Employers' Retiree Benefit Trust (CERBT). The projection of cash flows used to determine the discount rate assumed that the County contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

F. Change in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018 (Valuation Date June 30, 2017)	\$ 7,101,687	\$ 5,721,232	\$ 1,380,455
Changes in the year:			
Service cost	263,297	-	263,297
Interest on the total OPEB liability	497,839	-	497,839
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer (including implicit rate subsidy)	-	232,325	(232,325)
Net investment income	-	470,507	(470,507)
Benefit payments, including refunds of member contributions	(506,000)	(506,000)	-
Administrative expenses	-	(3,098)	3,098
Other expense	-	(7,875)	7,875
Net changes	<u>255,136</u>	<u>185,859</u>	<u>69,277</u>
Balance at June 30, 2018 (Measurement Date)	<u>\$ 7,356,823</u>	<u>\$ 5,907,091</u>	<u>\$ 1,449,732</u>

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

G. Sensitivity of the Net OPEB liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
\$ 2,293,087	\$ 1,449,732	\$ 742,224

H. Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trends

The following presents the net OPEB liability of the County if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

1% Decrease 5.50% decreasing to 4.00%	Current Healthcare Cost Trend Rates 6.50% decreasing to 5.00%	1% Increase 7.50% increasing to 6.00%
\$ 904,976	\$ 1,449,732	\$ 2,219,083

I. OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2019, the County recognized an OPEB expense of \$89,383. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 330,458	\$ -
Net differences between projected and actual earnings on plan investments	-	169,609
Total	\$ 330,458	\$ 169,609

There are no deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30	
2019	\$ (51,746)
2020	(51,746)
2021	(51,746)
2022	(14,371)
2023	-
Thereafter	-

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grant Programs

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. The County believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

B. General Litigation

The County is at times involved as a defendant in various legal proceedings. There are no current cases, in the opinion of the County, for which the outcomes will have a material adverse effect on the financial position of the County.

NOTE 13 – JOINT POWERS AGREEMENT

A. Lassen Regional Solid Waste Management Authority

In 1999, the Lassen Regional Solid Waste Management Authority (the “Authority”) was created under a joint powers agreement between the County and the City of Susanville. It was formed to fund, plan, operate, administer, and maintain solid waste facilities, sites and services, including all mandated costs for planning, waste diversion, and both closure and post-closure of sites, as well as public education, waste transfer, material recovery, recycling, household hazardous waste programs, and other AB939 programs. The Authority has a Board of Directors, which consists of five persons, two from the County and two from the City, and one public member at-large who is appointed by the City and County members. Members share equally in the Authority’s assets, to be distributed upon termination of the joint venture agreement. The members have no share of the Authority’s debts, liabilities, and obligations. The County has no ongoing financial interest or responsibility as of June 30, 2014.

Pursuant to a contract between the County and the Authority, the County provides services to the Authority, including personnel and related benefits, and accounting services. During the year ended June 30, 2019, the Authority paid the County \$717,197 for personnel services and related benefits and \$42,619 for accounting and administrative services. The Authority has financial statements prepared and they can be obtained from management of the Authority.

Condensed financial information for the Authority as of June 30, 2019 is presented below:

	<u>Amount</u>
Statement of Net Position	
Assets	\$ 5,533,000
Liabilities	(6,367,333)
Net position (deficit)	<u>\$ (834,333)</u>
 Revenues and Expenses	
Revenues	\$ 2,015,052
Expenses	(1,751,567)
Net gain (loss)	<u>\$ 263,485</u>

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 - JOINT POWERS AGREEMENT (Continued)

B. Lassen Transit Service Agency

The Lassen Transit Service Agency (Agency) was created as a joint powers agreement (JPA) between the County and the City of Susanville on July 17, 2002 under the provisions of Article 1, Chapter 5, Division 7, Title 1 of the California Government Code Section 6500. The Agency is charged with the administration and operation of the Lassen Rural Bus (LRB) public transportation services within Lassen County under the jurisdiction of the Lassen County Transportation Commission (Commission), the Regional Transportation Planning Agency for the County. The Commission is comprised of three members of the Lassen County Board of Supervisors and three members of the City of Susanville City Council and allocates and distributes the Transportation Development Act (TDA) funding for the LRB service operations. In addition to TDA funds, the Agency receives funding through several resources including the federal government and the State of California. Formerly, all of the transactions of the Agency were reported in the Rural Bus Fund of the County. Effective July 1, 2002, the Agency became a separate legal entity and is no longer considered a part of the County. The County has no ongoing financial interest or responsibility as of June 30, 2016. The Agency has financial statements prepared and they can be obtained from management of the Agency.

Condensed financial information for the Agency as of June 30, 2018 (the most recent year-end financial information available) is presented below:

	<u>Amount</u>
Statement of Net Position	
Assets	\$ 1,573,237
Liabilities	(75,980)
Net position (deficit)	<u>\$ 1,497,257</u>
 Revenues and Expenses	
Revenues	\$ 1,097,476
Expenses	(1,487,765)
Net gain (loss)	<u>\$ (390,289)</u>

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 - JOINT POWERS AGREEMENT (Continued)

C. Honey Lake Valley Recreation Authority

The Honey Lake Recreation Authority (HLVRA) was created by a joint powers agreement between the County and the City of Susanville on November 18, 2013 under the provisions of California Government Code 6500 et. Seq. HLVA is an entity separate from its member agencies created for the purpose of owning and operating public recreation facilities, including a swimming pool. HLVRA has a five-member board of directors comprised of two representatives from each member agency and one member at large. It is anticipated that the authority will receive funding from its members and shall remain in effect for 15 years from the date of adoption and thereafter terminate. Upon termination HLVRA funds remaining, after payment of all obligations, shall be divided in proportion to the contribution of each member agency.

Condensed financial information for HLVRA as of June 30, 2019 is presented below:

	<u>Amount</u>
Statement of Net Position	
Assets	\$ 3,235,371
Liabilities	<u>(63,225)</u>
Net position (deficit)	<u><u>\$ 3,172,146</u></u>
 Revenues and Expenses	
Revenues	\$ 293,033
Expenses	<u>(293,436)</u>
Net gain (loss)	<u><u>\$ (403)</u></u>

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County participates in a JPA named Trindel Insurance Fund, to provide coverage for workers' compensation and general liability exposure and to pay for the administration of the program. Primary and excess workers' compensation insurance, as well as excess property and general liability insurance are reinsured through a commercial company. There is a self-insured retention of \$100,000 for general liability, \$25,000 for property, and \$300,000 for workers compensation. Above the self-insured retention, various limits are applied to excess insurance programs. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. At June 30, 2019, Trindel Insurance Fund was classified as a claims-servicing or account pool, wherein the County retains the risk of loss and is considered self-insured with regard to liability and workers compensation. The County currently reports all of its risk management activities in the General Fund. Premiums due to Trindel are reported when incurred. The liability for outstanding claims was determined based on historical trends and actual activity.

Estimates of the liabilities for incurred (both reported and unreported) but unpaid claims are actuarially determined. Liabilities are based on the estimated cost of settling the claims.

	<u>2019</u>	<u>2018</u>
Unpaid claims July 1	\$ 3,027,830	\$ 3,666,514
Incurred claims (including IBNRs) and changes in estimates	1,892,070	(239,003)
Current year payments	<u>(951,133)</u>	<u>(399,681)</u>
Unpaid claims June 30	<u>\$ 3,968,767</u>	<u>\$ 3,027,830</u>

NOTE 15 - FUND BALANCE/NET DEFICIT

At June 30, 2019, the County had the following deficits:

	<u>Amount</u>
Nonmajor Governmental Funds:	
Courthouse Square Construction	\$ 271
Total Nonmajor Governmental Funds	<u>\$ 271</u>

NOTE 16 - FUND RECLASSIFICATION

Sheriff DNA Fund

During the current fiscal year, management determined that the Sheriff DNA fund would be more appropriately classified individually as a non-major special revenue fund rather than a part of the Public Safety fund. Accordingly, the result of the new classification was a decrease in the opening fund balance of the Public Safety fund and an increase in the opening fund balance of nonmajor governmental funds of \$165,998.

COUNTY OF LASSEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 17 - SUBSEQUENT EVENTS

On March 11, 2020 the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, the State of California issued a shelter in-place order and the temporary closure of all businesses deemed to be nonessential. Accordingly, there will be a contraction of the national, state and County's economy, which will potentially result in a reduction and/or delay of the receipt of tax revenues, potential market value declines, as well as hinder certain other revenue generating operations of the County. Additionally, it may negatively impact the ability of the County to collect on certain balances due from others. While the County expects there to potentially be a negative financial impact, since the duration and impact is unknown, management is unable to reasonably quantify the effect on future financial statements.

THIS PAGE IS LEFT BLANK INTENTIONALLY.

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE IS LEFT BLANK INTENTIONALLY.

**COUNTY OF LASSEN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

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

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the major 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. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Budgets are prepared in accordance with Generally Accepted Accounting Principles. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and amended during the fiscal year by four-fifths vote of the Board of Supervisors.

The County uses an encumbrance system as an extension of normal budgetary accounting for the general, special revenue and capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at the end of the year are liquidated and are appropriated in the next year's budget.

The budget approved by the Board of Supervisors for the general fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other governmental funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

The budgets for the governmental funds may include an object level known as "intrafund transfers" in the charges for appropriations. This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund.

COUNTY OF LASSEN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<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	\$ 9,937,000	\$ 9,937,000	\$ 9,732,283	\$ (204,717)
Licenses and permits	300,000	300,000	269,502	(30,498)
Intergovernmental	3,377,973	3,377,973	2,729,791	(648,182)
Charges for services	3,070,781	3,070,781	3,145,705	74,924
Fines and forfeitures	629,500	625,000	633,084	8,084
Use of money and property	182,300	182,300	512,330	330,030
Other revenues	<u>639,584</u>	<u>644,084</u>	<u>1,364,510</u>	<u>720,426</u>
Total revenues	<u>18,137,138</u>	<u>18,137,138</u>	<u>18,387,205</u>	<u>250,067</u>
EXPENDITURES				
Current:				
General government	6,327,361	6,327,361	5,934,561	392,800
Public protection	3,750,432	3,742,819	2,964,795	778,024
Public assistance	124,139	124,139	108,716	15,423
Education	75,177	75,177	71,676	3,501
Recreation and culture	32,700	32,700	22,294	10,406
Capital outlay	<u>56,005</u>	<u>63,618</u>	<u>7,613</u>	<u>56,005</u>
Total expenditures	<u>10,365,814</u>	<u>10,365,814</u>	<u>9,109,655</u>	<u>1,256,159</u>
Revenues over (under) expenditures	<u>7,771,324</u>	<u>7,771,324</u>	<u>9,277,550</u>	<u>1,506,226</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	430,824	552,234	273,324	(278,910)
Transfers out	<u>(9,437,522)</u>	<u>(9,558,932)</u>	<u>(9,228,278)</u>	<u>330,654</u>
Total other financing sources (uses)	<u>(9,006,698)</u>	<u>(9,006,698)</u>	<u>(8,954,954)</u>	<u>51,744</u>
Net change in fund balance	<u>\$ (1,235,374)</u>	<u>\$ (1,235,374)</u>	322,596	<u>\$ 1,557,970</u>
Fund balance, beginning of year			<u>8,841,719</u>	
Fund balance, end of year			<u>\$ 9,164,315</u>	

COUNTY OF LASSEN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ROAD FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<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 and permits	\$ 10,000	\$ 10,000	\$ 11,868	\$ 1,868
Intergovernmental	20,834,354	20,834,354	8,761,279	(12,073,075)
Charges for services	26,000	26,000	11,204	(14,796)
Use of money and property	25,000	25,000	93,435	68,435
Other revenues	162,199	162,199	8,988	(153,211)
Total revenues	<u>21,057,553</u>	<u>21,057,553</u>	<u>8,886,774</u>	<u>(12,170,779)</u>
EXPENDITURES				
Current:				
Public ways and facilities	12,053,467	12,068,467	3,797,264	8,271,203
Capital outlay	<u>9,006,000</u>	<u>8,991,000</u>	<u>3,098,245</u>	<u>5,892,755</u>
Total expenditures	<u>21,059,467</u>	<u>21,059,467</u>	<u>6,895,509</u>	<u>14,163,958</u>
Revenues over (under) expenditures	<u>(1,914)</u>	<u>(1,914)</u>	<u>1,991,265</u>	<u>1,993,179</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	<u>30,000</u>	<u>30,000</u>	<u>3,933</u>	<u>(26,067)</u>
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>3,933</u>	<u>(26,067)</u>
Net change in fund balance	<u>\$ 28,086</u>	<u>\$ 28,086</u>	1,995,198	<u>\$ 1,967,112</u>
Fund balance, beginning of year			<u>3,601,246</u>	
Fund balance, end of year			<u>\$ 5,596,444</u>	

COUNTY OF LASSEN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
WELFARE ADMINISTRATION FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<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				
Intergovernmental	\$ 4,965,481	\$ 4,965,481	\$ 3,491,200	\$ (1,474,281)
Charges for services	-	-	1,225	1,225
Use of money and property	-	-	124,982	124,982
Other revenues	<u>136,940</u>	<u>136,940</u>	<u>14,587</u>	<u>(122,353)</u>
Total revenues	<u>5,102,421</u>	<u>5,102,421</u>	<u>3,631,994</u>	<u>(1,470,427)</u>
EXPENDITURES				
Current:				
Public assistance	8,746,108	8,746,108	7,442,659	1,303,449
Capital outlay	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total expenditures	<u>8,821,108</u>	<u>8,821,108</u>	<u>7,442,659</u>	<u>1,378,449</u>
Revenues over (under) expenditures	<u>(3,718,687)</u>	<u>(3,718,687)</u>	<u>(3,810,665)</u>	<u>(91,978)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>3,334,622</u>	<u>3,334,622</u>	<u>3,422,969</u>	<u>88,347</u>
Total other financing sources (uses)	<u>3,334,622</u>	<u>3,334,622</u>	<u>3,422,969</u>	<u>88,347</u>
Net change in fund balance	<u>\$ (384,065)</u>	<u>\$ (384,065)</u>	<u>(387,696)</u>	<u>\$ (3,631)</u>
Fund balance, beginning of year			<u>4,169,964</u>	
Fund balance, end of year			<u>\$ 3,782,268</u>	

COUNTY OF LASSEN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
WELFARE ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<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				
Intergovernmental	\$ 3,758,382	\$ 3,758,382	\$ 4,819,642	\$ 1,061,260
Other revenues	<u>65,000</u>	<u>65,000</u>	<u>97,875</u>	<u>32,875</u>
Total revenues	<u>3,823,382</u>	<u>3,823,382</u>	<u>4,917,517</u>	<u>1,094,135</u>
EXPENDITURES				
Current:				
Public assistance	<u>7,080,740</u>	<u>7,080,740</u>	<u>6,259,940</u>	<u>820,800</u>
Total expenditures	<u>7,080,740</u>	<u>7,080,740</u>	<u>6,259,940</u>	<u>820,800</u>
Revenues over (under) expenditures	<u>(3,257,358)</u>	<u>(3,257,358)</u>	<u>(1,342,423)</u>	<u>1,914,935</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,449,520	3,449,520	2,833,236	(616,284)
Transfers out	<u>(192,162)</u>	<u>(192,162)</u>	<u>(117,350)</u>	<u>74,812</u>
Total other financing sources (uses)	<u>3,257,358</u>	<u>3,257,358</u>	<u>2,715,886</u>	<u>(541,472)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,373,463	<u>\$ 1,373,463</u>
Fund balance, beginning of year			<u>6,158,764</u>	
Fund balance, end of year			<u><u>\$ 7,532,227</u></u>	

COUNTY OF LASSEN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HEALTH AND HUMAN SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<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 and permits	\$ 5,000	\$ 5,000	\$ 4,646	\$ (354)
Intergovernmental	6,154,815	6,154,815	3,487,048	(2,667,767)
Charges for services	2,292,231	2,292,231	1,837,499	(454,732)
Fines and forfeitures	11,000	11,000	8,187	(2,813)
Use of money and property	111,000	111,000	236,071	125,071
Other revenues	179,937	179,937	24,420	(155,517)
Total revenues	<u>8,753,983</u>	<u>8,753,983</u>	<u>5,597,871</u>	<u>(3,156,112)</u>
EXPENDITURES				
Current:				
Public protection	229,360	229,360	215,437	13,923
Health and sanitation	10,995,226	11,055,226	8,685,122	2,370,104
Public assistance	2,156,128	2,148,128	1,157,002	991,126
Capital outlay	110,000	58,000	24,608	33,392
Total expenditures	<u>13,490,714</u>	<u>13,490,714</u>	<u>10,082,169</u>	<u>3,408,545</u>
Revenues over (under) expenditures	<u>(4,736,731)</u>	<u>(4,736,731)</u>	<u>(4,484,298)</u>	<u>252,433</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,960,702	4,960,702	4,129,423	(831,279)
Transfers out	<u>(738,196)</u>	<u>(738,196)</u>	<u>(86,029)</u>	<u>652,167</u>
Total other financing sources (uses)	<u>4,222,506</u>	<u>4,222,506</u>	<u>4,043,394</u>	<u>(179,112)</u>
Net change in fund balance	<u>\$ (514,225)</u>	<u>\$ (514,225)</u>	<u>(440,904)</u>	<u>\$ 73,321</u>
Fund balance, beginning of year			<u>7,328,820</u>	
Fund balance, end of year			<u>\$ 6,887,916</u>	

COUNTY OF LASSEN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC SAFETY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<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	\$ 100,000	\$ 100,000	\$ 86,664	\$ (13,336)
Licenses and permits	800	800	1,415	615
Intergovernmental	2,068,000	2,168,000	2,487,665	319,665
Charges for services	505,121	505,121	409,933	(95,188)
Fines and forfeitures	-	-	7,870	7,870
Use of money and property	6,000	6,000	4,783	(1,217)
Other revenues	<u>854,447</u>	<u>854,447</u>	<u>446,149</u>	<u>(408,298)</u>
Total revenues	<u>3,534,368</u>	<u>3,634,368</u>	<u>3,444,479</u>	<u>(189,889)</u>
EXPENDITURES				
Current:				
General government	730,830	730,830	660,420	70,410
Public protection	13,446,352	13,486,352	12,473,550	1,012,802
Capital outlay	<u>95,000</u>	<u>135,000</u>	<u>71,387</u>	<u>63,613</u>
Total expenditures	<u>14,272,182</u>	<u>14,352,182</u>	<u>13,205,357</u>	<u>1,146,825</u>
Revenues over (under) expenditures	<u>(10,737,814)</u>	<u>(10,717,814)</u>	<u>(9,760,878)</u>	<u>956,936</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,053,314	10,053,314	9,942,745	(110,569)
Transfers out	<u>-</u>	<u>(20,000)</u>	<u>(20,505)</u>	<u>(505)</u>
Total other financing sources (uses)	<u>10,053,314</u>	<u>10,033,314</u>	<u>9,922,240</u>	<u>(111,074)</u>
Net change in fund balance	<u>\$ (684,500)</u>	<u>\$ (684,500)</u>	161,362	<u>\$ 845,862</u>
Fund balance, beginning of year			<u>835,068</u>	
Fund balance, end of year			<u>\$ 996,430</u>	

COUNTY OF LASSEN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COUNTY LOCAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<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				
Intergovernmental	\$ 7,116,916	\$ 7,116,916	\$ 8,002,470	\$ 885,554
Other revenues	<u>47,667</u>	<u>47,667</u>	<u>21,900</u>	<u>(25,767)</u>
Total revenues	<u>7,164,583</u>	<u>7,164,583</u>	<u>8,024,370</u>	<u>859,787</u>
EXPENDITURES				
Current:				
Public protection	1,035,146	1,035,146	619,535	415,611
Capital outlay	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total expenditures	<u>1,110,146</u>	<u>1,110,146</u>	<u>619,535</u>	<u>490,611</u>
Revenues over (under) expenditures	<u>6,054,437</u>	<u>6,054,437</u>	<u>7,404,835</u>	<u>1,350,398</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(6,419,537)</u>	<u>(6,419,537)</u>	<u>(6,228,056)</u>	<u>191,481</u>
Total other financing sources (uses)	<u>(6,419,537)</u>	<u>(6,419,537)</u>	<u>(6,228,056)</u>	<u>191,481</u>
Net change in fund balance	<u>\$ (365,100)</u>	<u>\$ (365,100)</u>	1,176,779	<u>\$ 1,541,879</u>
Fund balance, beginning of year			<u>1,973,624</u>	
Fund balance, end of year			<u>\$ 3,150,403</u>	

COUNTY OF LASSEN
PROPORTIONATE SHARE OF NET PENSION LIABILITY - COST-SHARING PLAN
FOR THE YEAR ENDED JUNE 30, 2019
LAST 10 YEARS*

	2015	2016	2017	2018	2019
Proportion of the net pension liability	0.24280%	0.24360%	0.23440%	0.22690%	0.22730%
Proportionate share of the net pension liability	\$ 9,181,100	\$ 10,038,807	\$ 12,137,581	\$ 13,558,759	\$ 13,338,118
Covered payroll	\$ 2,892,309	\$ 2,934,651	\$ 3,009,642	\$ 3,061,933	\$ 3,411,392
Proportionate share of the net pension liability as percentage of covered payroll	317.43%	342.08%	403.29%	442.82%	390.99%
Plan fiduciary net position as a percentage of the total pension liability	76.05%	73.82%	70.61%	70.75%	72.92%

Notes to Schedule:

Changes in Benefit Terms - None

Changes of Assumptions - In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate .

*Schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

COUNTY OF LASSEN
SCHEDULE OF CONTRIBUTIONS - COST-SHARING PLAN
FOR THE YEAR ENDED JUNE 30, 2019
LAST 10 YEARS*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially required contribution (actuarially determined)	\$ 1,002,554	\$ 957,019	\$ 1,210,999	\$ 1,341,053	\$ 1,463,196	\$1,609,527
Contributions in relation to the actuarially determined contributions	<u>1,002,554</u>	<u>957,019</u>	<u>1,210,999</u>	<u>1,341,053</u>	<u>1,463,196</u>	<u>1,609,527</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,892,309	\$ 2,934,651	\$ 3,009,642	\$ 3,061,933	\$ 3,411,392	\$3,361,551
Contributions as a percentage of covered	34.66%	32.61%	40.24%	43.80%	42.89%	47.88%

*Schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

COUNTY OF LASSEN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AGENT MULTIPLE EMPLOYER PLAN
FOR THE YEAR ENDED JUNE 30, 2019
LAST 10 YEARS*

	2015	2016	2017	2018	2019
Total Pension Liability:					
Service cost	\$ 2,549,991	\$ 2,314,595	\$ 2,312,659	\$ 2,585,135	\$ 2,738,532
Interest on total pension liability	7,479,108	7,878,496	8,288,074	8,501,019	8,908,234
Changes of assumptions	-	(1,876,185)	-	6,894,698	(772,838)
Differences between expected and actual experience	-	462,586	701,808	(1,200,769)	1,468,640
Benefit payments, including refunds of employee contributions	(5,140,550)	(5,324,219)	(5,755,683)	(5,997,063)	(6,329,626)
Net change in total pension liability	4,888,549	3,455,273	5,546,858	10,783,020	6,012,942
Total pension liability - beginning	101,016,724	105,905,273	109,360,546	114,907,404	125,690,424
Total pension liability - ending (a)	<u>\$ 105,905,273</u>	<u>\$ 109,360,546</u>	<u>\$ 114,907,404</u>	<u>\$ 125,690,424</u>	<u>\$ 131,703,366</u>
Plan Fiduciary Net Position:					
Plan to plan resource movement	\$ -	\$ 2,579	\$ (233)	\$ 37,601	\$ (231)
Contributions - employer	1,910,144	1,759,112	2,024,304	2,301,324	2,620,469
Contributions - employee	1,216,676	1,081,585	1,149,564	1,112,227	1,212,019
Net investment income	13,609,094	2,005,219	448,970	9,606,169	7,908,533
Administrative expenses	(111,112)	(100,309)	(54,313)	(128,583)	(146,783)
Other Miscellaneous Income/(Expense)	-	-	-	-	(278,743)
Benefit payments	(5,140,550)	(5,324,219)	(5,755,683)	(5,997,063)	(6,329,626)
Net change in plan fiduciary net position	11,484,252	(576,033)	(2,187,391)	6,931,675	4,985,638
Plan fiduciary net position beginning	78,075,396	89,559,648	88,983,615	86,796,224	93,727,899
Plan fiduciary net position - ending (b)	<u>89,559,648</u>	<u>88,983,615</u>	<u>86,796,224</u>	<u>93,727,899</u>	<u>98,713,537</u>
Net pension liability - ending (a)-(b)	<u>\$ 16,345,625</u>	<u>\$ 20,376,931</u>	<u>\$ 28,111,180</u>	<u>\$ 31,962,525</u>	<u>\$ 32,989,829</u>
Plan fiduciary net position as a percentage of the total pension liability	84.57%	81.37%	75.54%	74.57%	74.95%
Covered payroll	14,663,071	14,454,495	14,850,738	15,779,786	16,943,333
Net pension liability as a percentage of covered payroll	111.47%	140.97%	189.29%	202.55%	194.71%

Changes in Benefit Terms - None

Changes in Assumptions - In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate .

COUNTY OF LASSEN
SCHEDULE OF CONTRIBUTIONS - AGENT MULTIPLE EMPLOYER PLAN
FOR THE YEAR ENDED JUNE 30, 2019
LAST 10 YEARS*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially required contribution (actuarially determined)	\$ 1,712,500	\$ 1,759,112	\$ 2,024,304	\$ 2,301,324	\$ 2,620,469	\$ 3,040,426
Contributions in relation to the actuarially determined contributions	<u>1,712,500</u>	<u>1,759,112</u>	<u>2,024,304</u>	<u>2,301,324</u>	<u>2,620,469</u>	<u>3,040,426</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,663,071	\$ 14,454,495	\$ 14,850,738	\$ 15,779,786	\$ 16,586,516	\$16,943,333
Contributions as a percentage of covered payroll	11.68%	12.17%	13.63%	14.58%	15.80%	17.94%

* Schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

COUNTY OF LASSEN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SINGLE EMPLOYER PLAN
FOR THE YEAR ENDED JUNE 30, 2019
LAST 10 YEARS*

	2018	2019
Total OPEB Liability:		
Service cost	\$ 246,072	\$ 263,297
Interest on total OPEB liability	479,336	497,839
Benefit payments, including refunds of employee contributions	(450,614)	(506,000)
Net change in total OPEB liability	274,794	255,136
Total OPEB liability - beginning	6,826,893	7,101,687
Total OPEB liability - ending (a)	<u>\$ 7,101,687</u>	<u>\$ 7,356,823</u>
Plan Fiduciary Net Position:		
Contributions - employer (including implicit rate subsidy)	\$ 999,332	\$ 232,325
Net investment income	549,897	470,507
Benefit payments	(450,614)	(506,000)
Administrative expenses	(2,784)	(3,098)
Other expense	-	(7,875)
Net change in plan fiduciary net position	1,095,831	185,859
Plan fiduciary net position beginning	4,625,401	5,721,232
Plan fiduciary net position - ending (b)	<u>5,721,232</u>	<u>5,907,091</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 1,380,455</u>	<u>\$ 1,449,732</u>
Plan fiduciary net position as a percentage of the total OPEB liability	80.56%	80.29%
Covered payroll	18,841,719	19,997,908
Net OPEB liability as a percentage of covered payroll	7.33%	7.25%

Changes in Assumptions - None

* Schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

COUNTY OF LASSEN
SCHEDULE OF CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2019
LAST 10 YEARS*

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially required contribution (actuarially determined)	\$ 425,948	\$ 390,610	\$ 399,062
Contributions in relation to the actuarially determined contributions	<u>999,332</u>	<u>-</u>	<u>330,458</u>
Contribution deficiency (excess)	<u>\$ (573,384)</u>	<u>\$ 390,610</u>	<u>\$ 68,604</u>
 Covered payroll	 \$ 18,841,719	 \$ 19,997,908	 \$ 20,304,884
 Contributions as a percentage of covered payroll	 5.30%	 0.00%	 1.63%

* Schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

SUPPLEMENTARY INFORMATION

THIS PAGE IS LEFT BLANK INTENTIONALLY.

NONMAJOR GOVERNMENTAL FUNDS

**COUNTY OF LASSEN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds				
	DA Contracts	Sheriff Contracts	HHS Contracts	Fish & Game	Mental Health Services Act
ASSETS					
Cash and investments	\$ -	\$ 164,275	\$ 210,967	\$ 3,078	\$ 2,103,044
Imprest cash	-	-	-	-	-
Due from other governmental entities	135,862	53,647	-	-	338,581
Due from other funds	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 135,862</u>	<u>\$ 217,922</u>	<u>\$ 210,967</u>	<u>\$ 3,078</u>	<u>\$ 2,441,625</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 60	\$ -	\$ 423
Accrued salaries	9,709	2,897	8,313	-	-
Due to other governmental entities	-	-	-	-	-
Due to other funds	<u>119,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>128,934</u>	<u>2,897</u>	<u>8,373</u>	<u>-</u>	<u>423</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Prepaid expenses	-	-	-	-	-
Restricted	-	-	202,594	-	2,441,202
Assigned	6,928	215,025	-	3,078	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>6,928</u>	<u>215,025</u>	<u>202,594</u>	<u>3,078</u>	<u>2,441,202</u>
Total liabilities and fund balances (deficit)	<u>\$ 135,862</u>	<u>\$ 217,922</u>	<u>\$ 210,967</u>	<u>\$ 3,078</u>	<u>\$ 2,441,625</u>

**COUNTY OF LASSEN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds				
	Cemetery	Aviation	TCF/Bailiff	Supplemental Law Enforcement	Vital Statistics
ASSETS					
Cash and investments	\$ 74,621	\$ 447,933	\$ 81,847	\$ 56,374	\$ 87,388
Imprest cash	-	-	-	-	-
Due from other governmental entities	-	-	29,917	125,486	-
Due from other funds	-	-	6,105	-	-
Accounts receivable	-	-	5,936	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 74,621</u>	<u>\$ 447,933</u>	<u>\$ 123,805</u>	<u>\$ 181,860</u>	<u>\$ 87,388</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 743
Accrued salaries	2,898	471	21,010	-	-
Due to other governmental entities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>2,898</u>	<u>471</u>	<u>21,010</u>	<u>-</u>	<u>743</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Prepaid expenses	-	-	-	-	-
Restricted	-	394,412	102,795	181,860	86,645
Assigned	71,723	53,050	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>71,723</u>	<u>447,462</u>	<u>102,795</u>	<u>181,860</u>	<u>86,645</u>
Total liabilities and fund balances (deficit)	<u>\$ 74,621</u>	<u>\$ 447,933</u>	<u>\$ 123,805</u>	<u>\$ 181,860</u>	<u>\$ 87,388</u>

**COUNTY OF LASSEN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds				
	Recorder Micrographics	Recorder Modernization	Recorder AB130	Inmate Welfare County	Narcotics Asset Forfeiture
ASSETS					
Cash and investments	\$ 158,665	\$ 151,280	\$ 44,799	\$ 122,094	\$ 1,169
Imprest cash	-	-	-	-	-
Due from other governmental entities	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 158,665</u>	<u>\$ 151,280</u>	<u>\$ 44,799</u>	<u>\$ 122,094</u>	<u>\$ 1,169</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	1,960	-
Due to other governmental entities	-	-	-	-	-
Due to other funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,960</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Prepaid expenses	-	-	-	-	-
Restricted	158,665	151,280	44,799	120,134	1,169
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>158,665</u>	<u>151,280</u>	<u>44,799</u>	<u>120,134</u>	<u>1,169</u>
Total liabilities and fund balances (deficit)	<u>\$ 158,665</u>	<u>\$ 151,280</u>	<u>\$ 44,799</u>	<u>\$ 122,094</u>	<u>\$ 1,169</u>

**COUNTY OF LASSEN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds				
	Narcotics Task Force	Bieber Lighting District	Lassen-Modoc Flood	Natural Resources	Geothermal
ASSETS					
Cash and investments	\$ 67,588	\$ 30,136	\$ 165,103	\$ 26,772	\$ 268,485
Imprest cash	-	-	-	-	-
Due from other governmental entities	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 67,588</u>	<u>\$ 30,136</u>	<u>\$ 165,103</u>	<u>\$ 26,772</u>	<u>\$ 268,485</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	2,762	-
Due to other governmental entities	-	-	-	-	-
Due to other funds	-	-	-	1,498	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,260</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Prepaid expenses	-	-	-	-	-
Restricted	67,588	30,136	165,103	-	268,485
Assigned	-	-	-	22,512	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>67,588</u>	<u>30,136</u>	<u>165,103</u>	<u>22,512</u>	<u>268,485</u>
Total liabilities and fund balances (deficit)	<u>\$ 67,588</u>	<u>\$ 30,136</u>	<u>\$ 165,103</u>	<u>\$ 26,772</u>	<u>\$ 268,485</u>

COUNTY OF LASSEN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds					
	Mental Health Realignment	Social Services Realignment	Public Health Realignment	County Children's	Fair	Prop 56 Tobacco
ASSETS						
Cash and investments	\$ 981,785	\$ 2,182,506	\$ 128,645	\$ 21,344	\$ 3,898	\$ -
Imprest cash	-	-	-	-	4,725	-
Due from other governmental entities	270,010	410,088	86,425	-	-	28,264
Due from other funds	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	8,750	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,750</u>	<u>-</u>
Total assets	<u>\$ 1,251,795</u>	<u>\$ 2,592,594</u>	<u>\$ 215,070</u>	<u>\$ 21,344</u>	<u>\$ 17,373</u>	<u>\$ 28,264</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-	10,269	6,497
Due to other governmental entities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	16,099
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,099</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,269</u>	<u>22,596</u>
FUND BALANCES (DEFICIT)						
Nonspendable:						
Prepaid expenses	-	-	-	-	8,750	-
Restricted	1,251,795	2,592,594	215,070	21,344	-	5,668
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	(1,646)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,646)</u>	<u>-</u>
Total fund balances (deficit)	<u>1,251,795</u>	<u>2,592,594</u>	<u>215,070</u>	<u>21,344</u>	<u>7,104</u>	<u>5,668</u>
Total liabilities and fund balances (deficit)	<u>\$ 1,251,795</u>	<u>\$ 2,592,594</u>	<u>\$ 215,070</u>	<u>\$ 21,344</u>	<u>\$ 17,373</u>	<u>\$ 28,264</u>

**COUNTY OF LASSEN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds					Total Special Revenue Funds
	USDA Title III	Probation	Child Support	Prison Trial Program	Sheriff DNA	
ASSETS						
Cash and investments	\$ 223,312	\$ 188,252	\$ 218,041	\$ 30,789	\$ 184,400	\$ 8,428,590
Imprest cash	-	-	-	-	-	4,725
Due from other governmental entities	-	103,824	-	259,491	-	1,841,595
Due from other funds	-	25,207	-	-	-	31,312
Accounts receivable	-	25,172	-	-	-	31,108
Prepaid expenses	-	-	-	-	-	8,750
Total assets	<u>\$ 223,312</u>	<u>\$ 342,455</u>	<u>\$ 218,041</u>	<u>\$ 290,280</u>	<u>\$ 184,400</u>	<u>\$ 10,346,080</u>
LIABILITIES						
Accounts payable	\$ -	\$ 4,297	\$ 21,598	\$ 43,986	\$ -	\$ 71,107
Accrued salaries	-	61,575	21,871	-	-	150,232
Due to other governmental entities	41,546	-	-	-	-	41,546
Due to other funds	<u>41,546</u>	<u>-</u>	<u>-</u>	<u>100,280</u>	<u>-</u>	<u>278,648</u>
Total liabilities	<u>83,092</u>	<u>65,872</u>	<u>43,469</u>	<u>144,266</u>	<u>-</u>	<u>541,533</u>
FUND BALANCES (DEFICIT)						
Nonspendable:						
Prepaid expenses	-	-	-	-	-	8,750
Restricted	140,220	-	174,572	-	184,400	9,002,530
Assigned	-	276,583	-	146,014	-	794,913
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,646)</u>
Total fund balances (deficit)	<u>140,220</u>	<u>276,583</u>	<u>174,572</u>	<u>146,014</u>	<u>184,400</u>	<u>9,804,547</u>
Total liabilities and fund balances (deficit)	<u>\$ 223,312</u>	<u>\$ 342,455</u>	<u>\$ 218,041</u>	<u>\$ 290,280</u>	<u>\$ 184,400</u>	<u>\$ 10,346,080</u>

**COUNTY OF LASSEN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Capital Projects Funds				
	Criminal Justice Facility Construction	Capital Improvements	Capital Improvements Lease	Accumulated Capital Outlay	Courthouse Construction
ASSETS					
Cash and investments	\$ 262,467	\$ 35,685	\$ 539,248	\$ 656,411	\$ 351,592
Imprest cash	-	-	-	-	-
Due from other governmental entities	-	-	-	-	-
Due from other funds	-	-	151,578	-	-
Accounts receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 262,467</u>	<u>\$ 35,685</u>	<u>\$ 690,826</u>	<u>\$ 656,411</u>	<u>\$ 351,592</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 26,702	\$ -
Accrued salaries	-	-	-	-	-
Due to other governmental entities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,702</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Prepaid expenses	-	-	-	-	-
Restricted	262,467	-	-	-	351,592
Assigned	-	35,685	690,826	629,709	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>262,467</u>	<u>35,685</u>	<u>690,826</u>	<u>629,709</u>	<u>351,592</u>
Total liabilities and fund balances (deficit)	<u>\$ 262,467</u>	<u>\$ 35,685</u>	<u>\$ 690,826</u>	<u>\$ 656,411</u>	<u>\$ 351,592</u>

**COUNTY OF LASSEN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Capital Projects Funds				
	Fair Improvement	CCF Equipment Replacement	Jail Facilities Construction	Courthouse Square Construction	Total Capital Projects Funds
ASSETS					
Cash and investments	\$ 3,268	\$ -	\$ 18,671	\$ -	\$ 1,867,342
Imprest cash	-	-	-	-	-
Due from other governmental entities	-	98,559	-	138,349	236,908
Due from other funds	-	-	-	16,084	167,662
Accounts receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
					-
Total assets	<u>\$ 3,268</u>	<u>\$ 98,559</u>	<u>\$ 18,671</u>	<u>\$ 154,433</u>	<u>\$ 2,271,912</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 26,702
Accrued salaries	-	-	-	3,126	3,126
Due to other governmental entities	-	-	-	-	-
Due to other funds	-	93,702	-	151,578	245,280
Total liabilities	<u>-</u>	<u>93,702</u>	<u>-</u>	<u>154,704</u>	<u>275,108</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Prepaid expenses	-	-	-	-	-
Restricted	-	-	-	-	614,059
Assigned	3,268	4,857	18,671	-	1,383,016
Unassigned	-	-	-	(271)	(271)
Total fund balances (deficit)	<u>3,268</u>	<u>4,857</u>	<u>18,671</u>	<u>(271)</u>	<u>1,996,804</u>
Total liabilities and fund balances (deficit)	<u>\$ 3,268</u>	<u>\$ 98,559</u>	<u>\$ 18,671</u>	<u>\$ 154,433</u>	<u>\$ 2,271,912</u>

**COUNTY OF LASSEN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Debt Service Fund	Total Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 2,554	\$ 2,554	\$ 10,298,486
Imprest cash	-	-	4,725
Due from other governmental entities	-	-	2,078,503
Due from other funds	-	-	198,974
Accounts receivable	-	-	31,108
Prepaid expenses	-	-	8,750
	<u>-</u>	<u>-</u>	<u>8,750</u>
 Total assets	 <u>\$ 2,554</u>	 <u>\$ 2,554</u>	 <u>\$ 12,620,546</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 97,809
Accrued salaries	-	-	153,358
Due to other governmental entities	-	-	41,546
Due to other funds	-	-	523,928
	<u>-</u>	<u>-</u>	<u>523,928</u>
 Total liabilities	 <u>-</u>	 <u>-</u>	 <u>816,641</u>
FUND BALANCES (DEFICIT)			
Nonspendable:			
Prepaid expenses	-	-	8,750
Restricted	-	-	9,616,589
Assigned	2,554	2,554	2,180,483
Unassigned	-	-	(1,917)
	<u>-</u>	<u>-</u>	<u>(1,917)</u>
 Total fund balances (deficit)	 <u>2,554</u>	 <u>2,554</u>	 <u>11,803,905</u>
 Total liabilities and fund balances (deficit)	 <u>\$ 2,554</u>	 <u>\$ 2,554</u>	 <u>\$ 12,620,546</u>

COUNTY OF LASSEN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds				
	DA Contracts	Sheriff Contracts	HHS Contracts	Fish & Game	Mental Health Services Act
REVENUES					
Taxes	\$ -	\$ 7,986	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	369,888	91,621	302,415	-	2,750,745
Charges for services	-	-	-	-	5,645
Fines and forfeitures	-	-	-	593	-
Use of money and property	-	5,005	4,285	-	99,375
Other revenues	-	-	-	-	-
Total revenues	<u>369,888</u>	<u>104,612</u>	<u>306,700</u>	<u>593</u>	<u>2,855,765</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public protection	345,276	51,220	-	1,925	-
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	272,320	-	2,164,500
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	24,526	25,000	-	-	196,543
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>369,802</u>	<u>76,220</u>	<u>272,320</u>	<u>1,925</u>	<u>2,361,043</u>
Excess (deficiency) of revenues over (under) expenditures	<u>86</u>	<u>28,392</u>	<u>34,380</u>	<u>(1,332)</u>	<u>494,722</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	2,500	-
Transfers out	-	-	-	-	(327,858)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>(327,858)</u>
Net changes in fund balances	86	28,392	34,380	1,168	166,864
Fund balances - beginning of year	<u>6,842</u>	<u>186,633</u>	<u>168,214</u>	<u>1,910</u>	<u>2,274,338</u>
Fund balances - end of year	<u>\$ 6,928</u>	<u>\$ 215,025</u>	<u>\$ 202,594</u>	<u>\$ 3,078</u>	<u>\$ 2,441,202</u>

COUNTY OF LASSEN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds				
	Cemetery	Aviation	TCF/Bailiff	Supplemental Law Enforcement	Vital Statistics
REVENUES					
Taxes	\$ 120,851	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,292	-	-	-	-
Intergovernmental	1,672	-	295,826	968,558	-
Charges for services	-	-	297,438	-	6,589
Fines and forfeitures	-	-	-	-	-
Use of money and property	4,794	13,455	-	8,034	2,926
Other revenues	<u>31,165</u>	<u>-</u>	<u>63,214</u>	<u>-</u>	<u>-</u>
Total revenues	<u>159,774</u>	<u>13,455</u>	<u>656,478</u>	<u>976,592</u>	<u>9,515</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public protection	188,616	-	623,561	119,259	5,243
Public ways and facilities	-	27,953	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	17,949	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>206,565</u>	<u>27,953</u>	<u>623,561</u>	<u>119,259</u>	<u>5,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,791)</u>	<u>(14,498)</u>	<u>32,917</u>	<u>857,333</u>	<u>4,272</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	505	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(711,249)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>505</u>	<u>(711,249)</u>	<u>-</u>
Net changes in fund balances	(46,791)	(14,498)	33,422	146,084	4,272
Fund balances - beginning of year	<u>118,514</u>	<u>461,960</u>	<u>69,373</u>	<u>35,776</u>	<u>82,373</u>
Fund balances - end of year	<u>\$ 71,723</u>	<u>\$ 447,462</u>	<u>\$ 102,795</u>	<u>\$ 181,860</u>	<u>\$ 86,645</u>

COUNTY OF LASSEN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds				
	Recorder Micrographics	Recorder Modernization	Recorder AB130	Inmate Welfare County	Narcotics Asset Forfeiture
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	7,527	20,159	31,952	19,688	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	5,567	5,451	932	4,375	160
Other revenues	-	-	-	87,287	-
Total revenues	<u>13,094</u>	<u>25,610</u>	<u>32,884</u>	<u>111,350</u>	<u>160</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public protection	8,301	28,496	3,506	114,834	32
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>8,301</u>	<u>28,496</u>	<u>3,506</u>	<u>114,834</u>	<u>32</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,793</u>	<u>(2,886)</u>	<u>29,378</u>	<u>(3,484)</u>	<u>128</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(15,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	4,793	(2,886)	14,378	(3,484)	128
Fund balances - beginning of year	<u>153,872</u>	<u>154,166</u>	<u>30,421</u>	<u>123,618</u>	<u>1,041</u>
Fund balances - end of year	<u>\$ 158,665</u>	<u>\$ 151,280</u>	<u>\$ 44,799</u>	<u>\$ 120,134</u>	<u>\$ 1,169</u>

COUNTY OF LASSEN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds				
	Narcotics Task Force	Bieber Lighting District	Lassen-Modoc Flood	Natural Resources	Geothermal
REVENUES					
Taxes	\$ -	\$ 2,876	\$ 10,073	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	51,406	40	137	35,441	39,502
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	3,216	1,044	5,442	997	10,344
Other revenues	-	-	-	2,356	-
Total revenues	<u>54,622</u>	<u>3,960</u>	<u>15,652</u>	<u>38,794</u>	<u>49,846</u>
EXPENDITURES					
Current:					
General government	-	2,882	-	-	-
Public protection	22,623	-	-	-	72,039
Public ways and facilities	-	-	1,877	-	-
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	91,602	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>22,623</u>	<u>2,882</u>	<u>1,877</u>	<u>91,602</u>	<u>72,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,999</u>	<u>1,078</u>	<u>13,775</u>	<u>(52,808)</u>	<u>(22,193)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	20,000	-
Transfers out	<u>(51,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(51,500)</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Net changes in fund balances	(19,501)	1,078	13,775	(32,808)	(22,193)
Fund balances - beginning of year	<u>87,089</u>	<u>29,058</u>	<u>151,328</u>	<u>55,320</u>	<u>290,678</u>
Fund balances - end of year	<u>\$ 67,588</u>	<u>\$ 30,136</u>	<u>\$ 165,103</u>	<u>\$ 22,512</u>	<u>\$ 268,485</u>

COUNTY OF LASSEN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds					
	Mental Health Realignment	Social Services Realignment	Public Health Realignment	County Children's	Fair	Prop 56 Tobacco
REVENUES						
Taxes	\$ 1,135,477	\$ 2,325,796	\$ 138,184	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	123,544	135,603	1,337,438	498	45,828	28,264
Charges for services	-	-	-	3,719	-	-
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	39,520	73,285	22,432	943	585,049	-
Other revenues	-	-	-	-	571	-
Total revenues	<u>1,298,541</u>	<u>2,534,684</u>	<u>1,498,054</u>	<u>5,160</u>	<u>631,448</u>	<u>28,264</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	718,066	-
Public protection	-	-	-	-	-	22,596
Public ways and facilities	-	-	-	-	-	-
Health and sanitation	125,618	-	29,905	-	-	-
Public assistance	-	-	-	7,406	-	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>125,618</u>	<u>-</u>	<u>29,905</u>	<u>7,406</u>	<u>718,066</u>	<u>22,596</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,172,923</u>	<u>2,534,684</u>	<u>1,468,149</u>	<u>(2,246)</u>	<u>(86,618)</u>	<u>5,668</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	97,355	-
Transfers out	(1,185,544)	(2,195,304)	(1,786,969)	-	-	-
Total other financing sources (uses)	<u>(1,185,544)</u>	<u>(2,195,304)</u>	<u>(1,786,969)</u>	<u>-</u>	<u>97,355</u>	<u>-</u>
Net changes in fund balances	(12,621)	339,380	(318,820)	(2,246)	10,737	5,668
Fund balances - beginning of year	<u>1,264,416</u>	<u>2,253,214</u>	<u>533,890</u>	<u>23,590</u>	<u>(3,633)</u>	<u>-</u>
Fund balances - end of year	<u>\$ 1,251,795</u>	<u>\$ 2,592,594</u>	<u>\$ 215,070</u>	<u>\$ 21,344</u>	<u>\$ 7,104</u>	<u>\$ 5,668</u>

COUNTY OF LASSEN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds					Total Special Revenue Funds
	USDA Title III	Probation	Child Support	Prison Trial Program	Sheriff DNA	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,741,243
Licenses and permits	-	-	-	-	-	1,292
Intergovernmental	103,662	567,841	1,025,660	1,244,970	-	9,520,559
Charges for services	-	157,174	-	-	-	549,891
Fines and forfeitures	-	521,913	-	-	17,798	540,304
Use of money and property	5,043	8,819	7,481	-	2,715	920,689
Other revenues	-	43,791	-	-	-	228,384
Total revenues	108,705	1,299,538	1,033,141	1,244,970	20,513	15,502,362
EXPENDITURES						
Current:						
General government	-	-	451	-	-	721,399
Public protection	161,110	2,525,645	926,240	1,134,810	2,111	6,357,443
Public ways and facilities	-	-	-	-	-	29,830
Health and sanitation	-	-	-	-	-	2,592,343
Public assistance	-	-	-	-	-	7,406
Recreation and culture	-	-	-	-	-	91,602
Capital outlay	24,833	-	46,672	-	-	335,523
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	185,943	2,525,645	973,363	1,134,810	2,111	10,135,546
Excess (deficiency) of revenues over (under) expenditures	(77,238)	(1,226,107)	59,778	110,160	18,402	5,366,816
OTHER FINANCING SOURCES (USES)						
Transfers in	-	1,105,793	-	1,813	-	1,227,966
Transfers out	-	-	-	-	-	(6,273,424)
Total other financing sources (uses)	-	1,105,793	-	1,813	-	(5,045,458)
Net changes in fund balances	(77,238)	(120,314)	59,778	111,973	18,402	321,358
Fund balances - beginning of year	217,458	396,897	114,794	34,041	165,998	9,483,189
Fund balances - end of year	\$ 140,220	\$ 276,583	\$ 174,572	\$ 146,014	\$ 184,400	\$ 9,804,547

COUNTY OF LASSEN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Capital Projects Funds				
	Criminal Justice Facility Construction	Capital Improvements	Capital Improvements Lease	Accumulated Capital Outlay	Courthouse Construction
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 251,979	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	3,485	-
Charges for services	-	-	-	136,898	-
Fines and forfeitures	50,294	-	-	-	86,965
Use of money and property	7,190	1,780	25,884	-	13,881
Other revenues	-	1,014	-	-	-
Total revenues	<u>57,484</u>	<u>2,794</u>	<u>25,884</u>	<u>392,362</u>	<u>100,846</u>
EXPENDITURES					
Current:					
General government	-	-	-	11,954	52,969
Public protection	406	-	-	-	-
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	48,211	277,749	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>406</u>	<u>-</u>	<u>48,211</u>	<u>289,703</u>	<u>52,969</u>
Excess (deficiency) of revenues over (under) expenditures	<u>57,078</u>	<u>2,794</u>	<u>(22,327)</u>	<u>102,659</u>	<u>47,877</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	110,000	-	-	-	-
Transfers out	<u>(110,000)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(110,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(110,000)</u>
Net changes in fund balances	57,078	2,794	(22,327)	2,659	(62,123)
Fund balances - beginning of year	<u>205,389</u>	<u>32,891</u>	<u>713,153</u>	<u>627,050</u>	<u>413,715</u>
Fund balances - end of year	<u>\$ 262,467</u>	<u>\$ 35,685</u>	<u>\$ 690,826</u>	<u>\$ 629,709</u>	<u>\$ 351,592</u>

COUNTY OF LASSEN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Capital Projects Funds				
	Fair Improvement	CCF Equipment Replacement	Jail Facilities Construction	Courthouse Square Construction	Total Capital Projects Funds
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 251,979
Licenses and permits	-	-	-	-	-
Intergovernmental	-	98,559	-	153,027	255,071
Charges for services	-	-	-	-	136,898
Fines and forfeitures	-	-	-	-	137,259
Use of money and property	1,898	-	-	(410)	50,223
Other revenues	-	2,324	-	-	3,338
	<u>-</u>	<u>2,324</u>	<u>-</u>	<u>-</u>	<u>3,338</u>
Total revenues	<u>1,898</u>	<u>100,883</u>	<u>-</u>	<u>152,617</u>	<u>834,768</u>
EXPENDITURES					
Current:					
General government	127,854	-	-	-	192,777
Public protection	-	67,829	-	-	68,235
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	30,000	16,328	152,888	525,176
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>127,854</u>	<u>97,829</u>	<u>16,328</u>	<u>152,888</u>	<u>786,188</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(125,956)</u>	<u>3,054</u>	<u>(16,328)</u>	<u>(271)</u>	<u>48,580</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	32,979	-	142,979
Transfers out	-	-	-	-	(320,000)
	<u>-</u>	<u>-</u>	<u>32,979</u>	<u>-</u>	<u>(177,021)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>32,979</u>	<u>-</u>	<u>(177,021)</u>
Net changes in fund balances	(125,956)	3,054	16,651	(271)	(128,441)
Fund balances - beginning of year	<u>129,224</u>	<u>1,803</u>	<u>2,020</u>	<u>-</u>	<u>2,125,245</u>
Fund balances - end of year	<u>\$ 3,268</u>	<u>\$ 4,857</u>	<u>\$ 18,671</u>	<u>\$ (271)</u>	<u>\$ 1,996,804</u>

COUNTY OF LASSEN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Debt Service Fund	Debt Service Total	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 3,993,222
Licenses and permits	-	-	1,292
Intergovernmental	-	-	9,775,630
Charges for services	-	-	686,789
Fines and forfeitures	-	-	677,563
Use of money and property	-	-	970,912
Other revenues	-	-	231,722
	<u>-</u>	<u>-</u>	<u>16,337,130</u>
EXPENDITURES			
Current:			
General government	-	-	914,176
Public protection	-	-	6,425,678
Public ways and facilities	-	-	29,830
Health and sanitation	-	-	2,592,343
Public assistance	-	-	7,406
Recreation and culture	-	-	91,602
Capital outlay	-	-	860,699
Debt service:			
Principal	154,122	154,122	154,122
Interest	146,092	146,092	146,092
	<u>300,214</u>	<u>300,214</u>	<u>11,221,948</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(300,214)</u>	<u>(300,214)</u>	<u>5,115,182</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	301,000	301,000	1,671,945
Transfers out	-	-	(6,593,424)
	<u>301,000</u>	<u>301,000</u>	<u>(4,921,479)</u>
Net changes in fund balances	786	786	193,703
Fund balances - beginning of year	<u>1,768</u>	<u>1,768</u>	<u>11,610,202</u>
Fund balances - end of year	<u>\$ 2,554</u>	<u>\$ 2,554</u>	<u>\$ 11,803,905</u>

THIS PAGE IS LEFT BLANK INTENTIONALLY.

INTERNAL SERVICE FUNDS

COUNTY OF LASSEN
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019

	Information Services	Fleet Maintenance	Total
ASSETS			
Current assets:			
Cash and investments	\$ 458,305	\$ 1,560,152	\$ 2,018,457
Total current assets	<u>458,305</u>	<u>1,560,152</u>	<u>2,018,457</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	109,478	-	109,478
Depreciable, net	<u>62,206</u>	<u>535,793</u>	<u>597,999</u>
Total noncurrent assets	<u>171,684</u>	<u>535,793</u>	<u>707,477</u>
Total assets	<u>629,989</u>	<u>2,095,945</u>	<u>2,725,934</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	50,615	29,440	80,055
Deferred outflows from OPEB	<u>2,257</u>	<u>1,956</u>	<u>4,213</u>
Total deferred outflows of resources	<u>52,872</u>	<u>31,396</u>	<u>84,268</u>
LIABILITIES			
Current liabilities:			
Accounts payable	8,417	-	8,417
Salaries and benefits payable	<u>8,755</u>	<u>3,154</u>	<u>11,909</u>
Total current liabilities	<u>17,172</u>	<u>3,154</u>	<u>20,326</u>
Noncurrent liabilities:			
Net pension liability	306,805	148,454	455,259
Net OPEB Liability	<u>9,902</u>	<u>8,582</u>	<u>18,484</u>
Total noncurrent liabilities	<u>316,707</u>	<u>157,036</u>	<u>473,743</u>
Total liabilities	<u>333,879</u>	<u>160,190</u>	<u>494,069</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	6,253	3,888	10,141
Deferred inflows from OPEB	<u>1,158</u>	<u>1,004</u>	<u>2,162</u>
Total deferred inflows of resources	<u>7,411</u>	<u>4,892</u>	<u>12,303</u>
NET POSITION			
Net investment in capital assets	62,206	535,793	597,999
Unrestricted	<u>279,365</u>	<u>1,426,466</u>	<u>1,705,831</u>
Total net position	<u>\$ 341,571</u>	<u>\$ 1,962,259</u>	<u>\$ 2,303,830</u>

COUNTY OF LASSEN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Information Services	Fleet Maintenance	Total
Operating revenues:			
Charges for services	\$ 823,220	\$ 601,749	\$ 1,424,969
Other revenue	<u>-</u>	<u>30,796</u>	<u>30,796</u>
Total operating revenues	<u>823,220</u>	<u>632,545</u>	<u>1,455,765</u>
Operating expenses:			
Salaries and benefits	275,471	15,969	291,440
Services and supplies	514,879	109,895	624,774
Depreciation	<u>33,324</u>	<u>245,960</u>	<u>279,284</u>
Total operating expenses	<u>823,674</u>	<u>371,824</u>	<u>1,195,498</u>
Operating income (loss)	<u>(454)</u>	<u>260,721</u>	<u>260,267</u>
Nonoperating revenues (expenses):			
Investment earnings	<u>21,783</u>	<u>42,994</u>	<u>64,777</u>
Total nonoperating revenues (expenses)	<u>21,783</u>	<u>42,994</u>	<u>64,777</u>
Change in net position	21,329	303,715	325,044
Net position, beginning of year	<u>320,242</u>	<u>1,658,544</u>	<u>1,978,786</u>
Net position, end of year	<u><u>\$ 341,571</u></u>	<u><u>\$ 1,962,259</u></u>	<u><u>\$ 2,303,830</u></u>

COUNTY OF LASSEN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Information Services	Fleet Maintenance	Total
Cash flows from operating activities:			
Cash received from interfund services provided	\$ 823,220	\$ 632,545	\$ 1,455,765
Cash paid to suppliers for goods and services	(593,116)	(144,329)	(737,445)
Cash paid to employees for services	(253,265)	(112,418)	(365,683)
Net cash provided by (used for) operating activities	(23,161)	375,798	352,637
Cash flows from capital and related financing activities:			
Payment for the acquisition of capital assets	(154,210)	-	(154,210)
Net cash provided by (used for) capital and related financing activities	(154,210)	-	(154,210)
Cash flows from investing activities:			
Investment earnings	21,783	42,994	64,777
Net cash provided by (used for) investing activities	21,783	42,994	64,777
Net increase (decrease) in cash and cash equivalents	(155,588)	418,792	263,204
Cash and cash equivalents, beginning of year	613,893	1,141,360	1,755,253
Cash and cash equivalents, end of year	\$ 458,305	\$ 1,560,152	\$ 2,018,457
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (454)	\$ 260,721	\$ 260,267
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	33,324	245,960	279,284
(Increase) decrease in deferred outflows of resources for pensions	27,624	43,679	71,303
(Increase) decrease in deferred outflows of resources for OPEB	(2,257)	(1,956)	(4,213)
Increase (decrease) in accounts payable	(65,432)	(34,434)	(99,866)
Increase (decrease) in due to other governments	(12,805)	-	(12,805)
Increase (decrease) in accrued salaries	50	(535)	(485)
Increase (decrease) in net pension liability	(3,231)	(139,209)	(142,440)
Increase (decrease) in net OPEB liability	429	3,531	3,960
Increase (decrease) in deferred inflows of resources for pensions	(541)	(2,416)	(2,957)
Increase (decrease) in deferred inflows of resources for OPEB	132	457	589
Net cash provided by (used for) operating activities	\$ (23,161)	\$ 375,798	\$ 352,637