

County of Sutter
State of California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



Nathan M. Black, CPA
Auditor-Controller

The front cover features a view of the peaks of the Sutter Buttes during cloud cover. This mountain range is known as “The Smallest Mountain Range in the World.” Sutter County is located in the heart of the Sacramento Valley, with 88 percent of its 600-square miles being prime farm and grazing land.

The photographs were taken and shared by Chuck Smith, Sutter County’s Public Information Officer.



A picture from one of the many flooded rice fields in Sutter County. Each winter hundreds of thousands of waterfowl use the flooded fields as they traverse the Pacific Flyway.

County of Sutter
State of California

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019



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Auditor-Controller

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Introductory Section

Introductory Section



County of Sutter

Nathan M. Black, CPA
Auditor-Controller

Joe Jones, CPA
Assistant Auditor-
Controller



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Yuba City, California 95991
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May 27, 2020

To the Citizens of Sutter County:

The Comprehensive Annual Financial Report (CAFR) of the County of Sutter (County) for the fiscal year ended June 30, 2019, is hereby submitted in compliance with Section 25250 and 25253 of the Government Code of the State California. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent auditor's report is located at the front of the financial section of this report. Lance, Soll & Lunghard, LLP, has issued an unmodified opinion on the County's financial statements for the year ended June 30, 2019. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Policymaking and legislative authority is vested in the County Board of Supervisors (Board), which consists of an elected supervisor from each of the five districts. The Board is responsible for, among other things, passing ordinances, adopting budgets and appointing committees, the County Administrative Officer (CAO), and non-elected department directors. Supervisors are elected to four-year staggered terms with two supervisors elected in even-years and three supervisors elected in odd-years. The County has six elected department directors responsible for the offices of the Assessor, Auditor-Controller, Clerk-Recorder-Elections, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector. The following organization chart reflects the various functional categories reported in the governmentwide Statement of Activities as well as identifies principal officials.

Geography and Industry

The County, one of California's original 27 counties, is located in the heart of the Sacramento Valley approximately 45 miles north of the State Capitol. Sutter County encompasses approximately 600 square miles made up of nearly 90% prime agricultural land. The Feather and Sacramento rivers provide vast amounts of water for this agricultural community. The Sutter Buttes are a cluster of mountain peaks that rise in sharp relief to the surrounding valley floor. They are considered to be the "smallest mountain range in the world" having formed between 1.4 and 1.6 million years ago.

Two incorporated cities are within the County: Yuba City and Live Oak. The largest employment categories include government, trade, transportation and utilities, health services, and agriculture. The Mediterranean climate provides relatively mild winters while summers are generally hot and dry.

Policy & Executive



Ron Sullenger
First District Supervisor



Dan Flores
Second District Supervisor



Mike Ziegenmeyer
Third District Supervisor



Jim Whiteaker
Fourth District Supervisor



Mat Conant
Fifth District Supervisor

Steve Smith
County Administrative Officer (CAO)

Jean Jordan
County Counsel

Public Protection

Brandon Barnes
Sheriff-Coroner

Amanda Hopper
District Attorney

Donna Garcia
Probation

Mark Van den Heuvel
Public Defender

John Shalowitz
Fire

Natalie Dillon
Child Support

Health & Sanitation

Nancy O'Hara
Health and Human Services

Leah Northrop
Public Health

Sarah Eberhardt-Rios
Behavioral Health

Public Assistance

David Nagra
Social Services

General Government

Nathan M. Black, CPA
Auditor-Controller

Todd Retzloff
Assessor

Steven L. Harrah, CPA
Treasurer-Tax Collector

Ken Sra
General Services

Donna Johnston
Clerk-Recorder

Gina Rowland
Human Resources

Public Ways & Facilities

Neal Hay
Development Services

Education, Recreation & Culture

James Ochsner
Library

Jessica Hougen
Museum

Lisa Herbert
Agriculture Commissioner

Component Units

The County, with an average of approximately 1,003 full-time equivalent employees, provides a full range of services to its residents as the organization chart above depicts. Included in operations are various component units which provide specific services countywide or to distinct geographic areas within the County. They include: In-Home Supportive Services Public Authority, Children and Families Commission, Gilsizer County Drainage District, Sutter County Fish & Game, County Service Areas, and Lighting Districts.

While these entities are legally separate from the County, the County is financially accountable for them as their governing bodies are substantially the same as the County Board. Other entities, such as the Sutter County Resource Conservation District, various Levee Districts and Reclamation Districts, conduct their own day-to-day operations, answer to their own governing board, and thus are not included in the County's financial statements.

Budget

The County is required by state law to adopt a final budget each year. This annual budget serves as the foundation for the County's financial planning and spending control. Budgets are adopted for all governmental and proprietary funds and are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The legal level of budgetary control is maintained at the fund, department, and object level with more stringent control over capital assets and fund balance categories, which are maintained at the line item level.

The Board must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must also be approved by the Board. The Board has delegated authority to approve transfers of appropriations between object levels within the same department to the CAO.

Factors Affecting Economic Condition

The following highlights and graphs are evidence of the changing economy on a Countywide basis that includes both the unincorporated area and the two incorporated cities.

During Fiscal Year (FY) 2019, the County continued to see positive economic trends, with historically low unemployment and steady gains in home values.

Employment

- The County's average unemployment rate during FY 2019 dipped 2.5% from 9.3% to 6.8%.
- The June 2019 County unemployment rate of 6.8% was above the State unemployment rate of 4.2% and the national unemployment rate of 3.7%.

Income

- Per capita income for the Sutter County area for 2019 increased by 2.3% to \$44,000.

Retail Sales

- Countywide retail sales increased 1.3% to \$1.82 billion for FY 2019.
- California retail sales increased 3.6% for the FY 2018.

Real Estate

- The Countywide median home value increased to approximately \$260,000.
- The real estate market continued its upward trend with increased property sales, price appreciation, and new construction.
- Total assessed property valuation for FY 2019 was \$9.85 billion, a 0.29% increase over the prior year of \$9.82 billion.

Agriculture

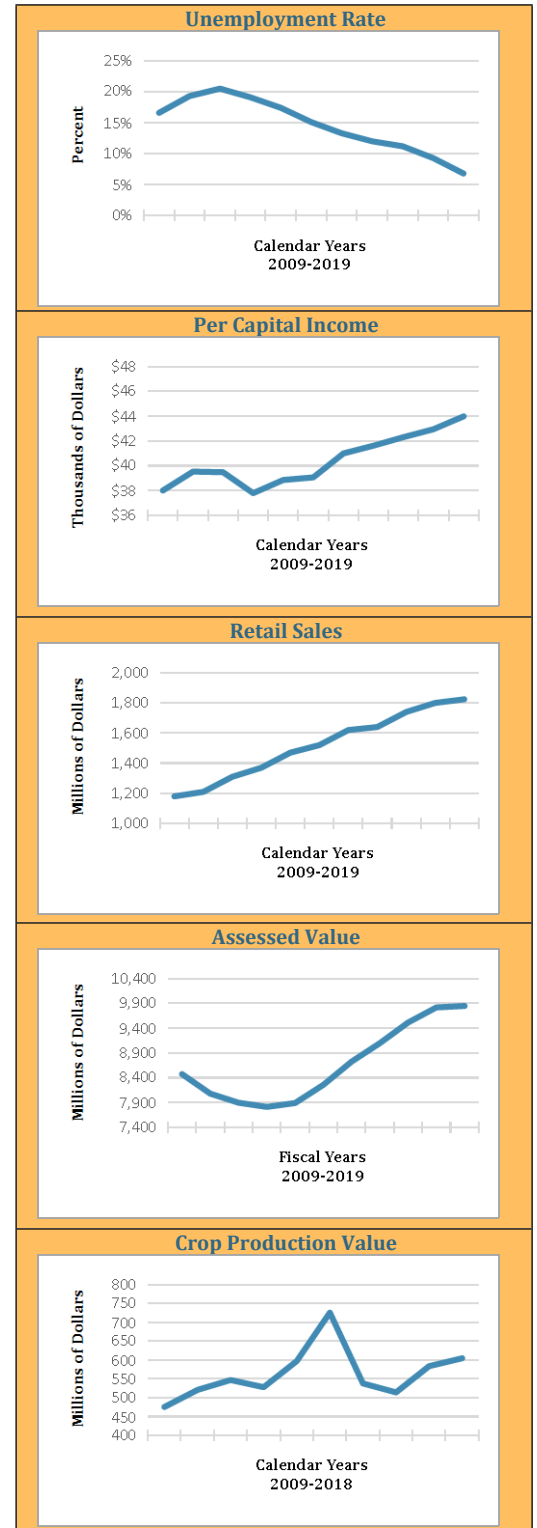
- Total acres harvested increased from 63,850 to 73,483, a 15.1% change.
- Total crop production value increased from \$584 million to \$605 million.

Economic Indicators

According to the California Fiscal Outlook, the forecast anticipates a continuing of the expansion in the U.S. economy, but with anticipated stock market weakness. In California, the economy in 2020 is expected to have slower job growth and a tight labor market with relatively low unemployment rates.

Sutter County is an agricultural community and thus the local economy is heavily reliant on strong agricultural commodity prices and availability of water. The growth in farmed acreage is an indicator that prices are stable and water available to meet the production needs.

Note: Information about our local economy was derived from the California *Employment Development Department* and the *Bureau of Labor Statistics* as well from local sources such as the Sutter County Agricultural Commissioner.



Major Initiatives

Long-term Financial Planning – Development of a Ten-Year Financial Strategic Plan

Although staff is submitting a “balanced” Recommended Budget for FY 2019-20, the General Fund continues to experience “structural” challenges. Ideally, recurring revenues should be sufficient to cover recurring expenditures. This is not the case for the General Fund. Instead, the General Fund relies on expenditure “savings” from the prior year to serve as a de-facto revenue (or “source of funds”) to balance the budget for the subsequent year. This is not a “Best Management Practice.”

The County must continually navigate the complex system of federal and state funding and be ever vigilant for funding reductions that will have an impact on local services, in particular those provided to the County’s most vulnerable citizens. The country has sustained 10 years of economic expansion, and it is feasible that the nation could face a recession within the next few years. Historically, the State has transferred greater financial responsibility onto counties as well as diverting funds from local government in order to close budget gaps. Under Governor Brown, the state was able to build a significant “rainy day fund,” which would help to sustain services in an economic downturn. However, the County must look for ways to become financially nimble to address a loss of federal, state and local revenues.

As part of the Board’s Top Priority #2, staff continues work to forecast revenues and expenditures over an extended period in order to promote the flexibility to strategically manage resources.

County Facilities Master Plan

The County owns and/or leases over 30 facilities in different locations throughout the county. Over many years, the County has become a major property owner yet does not have sufficient staff and financial resources to maintain the buildings. This has translated into many facilities suffering from years, and in some cases decades, of deferred maintenance. Several County facilities are severely run-down and the cost to restore and/or repair them is more than abandoning these buildings and purchasing existing buildings elsewhere, along with purchasing raw land and building new facilities.

Recognizing the severity of this situation, in May 2017, the Board of Supervisors approved hiring an outside consultant (Kosmont and Associates) to conduct a review of all County facilities. A report was submitted to the County in October 2017. To build upon the results of the Kosmont report, in December 2018, the Board authorized a new agreement with an architectural firm (Nichols, Melburg & Rossetto, AIA & Associates) to develop the County’s Facilities Master Plan. The architects’ scope of work includes space surveys and departmental interviews to discuss the space needs of each County department. Completion of their report is anticipated in Fall 2019, and it will serve as the basis of an AB 1600 Study, so the County can update its Development Impact Fees. The increased fees will allow the County to begin collecting revenue to fund necessary future expansion needs.

In concept, the County’s plan includes locating all the general administrative and support functions into a main “Government Campus” surrounding the main offices housed at 1130 and 1160 Civic Center Boulevard in Yuba City. In Spring 2019, the County purchased an office building at 1190 Civic Center Boulevard, furthering the Campus plan. This building will house the Assessor’s Office within the budget year, freeing space for the Auditor-Controller and Treasurer-Tax Collector to move into 1160 Civic Center Boulevard by late FY 2019-20 or early in FY 2020-21.

A “Public Safety Campus” is recommended around the new State Courthouse located at 1175 Civic Center Boulevard and would include the Sheriff’s Office, expanded Jail, District Attorney’s Office, Probation, etc. A Health & Human Services Campus was recommended at 850 Gray Avenue in Yuba City. Other cluster campuses were recommended for the remaining County uses. Staff is working on a more formal Countywide Facilities Master Plan to be submitted to the Board of Supervisors at a later date.

In FY 2017-18, the County secured a long-term lease for 850 Gray Avenue to house approximately 250 Health and Human Service employees, or about 25% of the County’s workforce. Design of the improvements necessary to house staff and provide services to clients has begun, and County staff is working with an outside financial consultant to obtain financing for construction. The \$19 million Jail Expansion Project will be completed by the end of FY 2018-19. Future plans include completing the improvements to 1190 Civic Center Boulevard to make the building efficient for the Assessor’s functions, completing the second-floor remodel of 1160 Civic Center Boulevard to accommodate the Auditor-Controller and Treasurer-Tax Collector, and continuing to review potential relocation sites for Child Support Services.

Homelessness

The rise in the local homeless population (especially within the Feather River river-bottoms and throughout Downtown Yuba City) continues to present challenges for the local community and economy. As revealed in a recent Yuba City citywide survey, homelessness was, by far, ranked as the community’s most serious concern. In response, the County continues to work closely with other local governments and service providers, including the following two bi-county working groups: 1) Bi-County Homeless Consortium; and, 2) Bi-County Homeless Services Program.

In November 2017, the Board of Supervisors adopted a formal Sutter County Long-Term Homeless Management Plan. As a part of implementing this plan, the County has moved forward with building a shelter complex at its Behavioral Health campus located at 1965 Live Oak Boulevard. Construction will begin on this site early in FY 2019-20 and is expected to be operational in September 2019. This plan was developed in partnership with other regional governments as well as community-based organizations to improve services and shelter operations. As always, the goal remains to address homeless individuals' barriers to stable living and get them into permanent housing.

Sutter Pointe Specific Plan Implementation

In Spring 2019, developers submitted a proposed first project phase comprising 873± acres located in the eastern portion of the plan area north of Riego Road and south of Sankey Road. This first phase proposes to establish 3,402 single-family and 399 multifamily homes, along with 46.1 acres of employment centers, 25 acres of commercial centers, 61.3 acres of parkland, 54.9 acres of open space along with a K-8 school. The County is reviewing this project for consistency with the adopted Specific Plan and working with developers to establish the necessary public infrastructure and services needed to serve this mixed-use community and to ensure compliance with developer agreements, Sutter County's Federal Incidental Take Permit, and other environmental requirements.

It is possible that construction of new homes and businesses in this area could commence within two to three years, as the Sacramento regional economy continues to expand. As directed by the Board of Supervisors, this development is designed to be self-sustaining and to not have any net new costs to taxpayers outside of the plan area. At full build-out, this development will contain 17,500 housing units, thousands of new jobs, and approximately 50,000 residents.

Relevant Financial Policies

Annual Financial Forecasting

Following mid-year budget reviews, that aid in current year decisions and forecasting year-end results from operations.

Mid-Year Budget Review

The County performs mid-year budget reviews that aid in current year decisions and forecasting year-end results from operations.

Contingency Planning

The County does not maintain a formal contingency policy, however, approximately 1% of the General Fund is budgeted annually as a contingency against unforeseen adverse developments in county operations.

Nonrecurring Revenue

The County performs mid-year budget reviews that aid in current year decisions and forecasting year-end results from operations.

Debt Affordability

The County is in the process of establishing a Debt Advisory Committee (DAC) to be made up of the County Administrator, Auditor-Controller, and Treasurer/Tax Collector. The purpose of the Committee will be to provide advice to the Board on debt issuance and management. The DAC review all potential debt issuances and provide a report to the Board of Supervisors.

Capital and Maintenance Funding

The County has an informal pay-as-you-go policy for funding capital. However, the County has recently begun procurement of a facilities master plan that will aid in capital funding and address the aging and disparate facilities.

Financial Reporting Awards

This report is the County's second CAFR. We plan to seek consideration for financial reporting awards in the future.





INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors and Grand Jury
County of Sutter, 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 County of Sutter, 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.



To the Board of Supervisors and Grand Jury
County of Sutter, California

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 Sutter, 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, the budgetary comparison schedules for the General Fund, the Bi-County Behavioral Health Fund, the Welfare Fund, the Public Safety/Trial Courts Fund, the Mental Health Services Act Fund and Public Safety Realignment Fund, the schedule of changes in net pension liability and related ratios – miscellaneous plan, the schedule of pension plan contributions – miscellaneous plan, the schedule of changes in net pension liability and related ratios – safety plan, the schedule of pension plan contributions – safety plan, and the schedule of changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

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



To the Board of Supervisors and Grand Jury
County of Sutter, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Lance, Soll & Lingham, LLP

Sacramento, California
May 27, 2020

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Financial Highlights

The information in this section is not covered by the Independent Auditors' Report but is presented as required supplementary information for the benefit of the readers of the CAFR.

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's Basic Financial Statements, which immediately follow this section. All dollar amounts are expressed in thousands.

Government-wide Financial Analysis

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$59,458 (See Summary of Net Position and analysis on page 26):

- \$90,166 represents the County's investment in capital assets, less (1) accumulated depreciation, (2) related outstanding debt used to acquire those assets, and (3) related deferred inflows of resources,
- \$87,741 is available for the County's ongoing obligations related to programs with external restrictions, and;
- \$(118,449) in unrestricted net position is primarily the result of the County's unfunded pension and Other Postemployment Benefits (OPEB) liabilities.

The County's total net position increased by \$16,959 over the prior year:

- The \$6,926 increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation, and the addition and/or retirement of related long-term debt and deferred inflows of resources,
- The \$12,930 increase in restricted net position represents the change in resources that are subject to external restrictions on their use, and;
- The \$2,897 decrease in unrestricted net position is the change available to fund County programs to citizens and debt obligations to creditors.

Financial Analysis of the County's Funds

The County's governmental funds' combined ending fund balance of \$100,343, was increase of \$2,861 from the prior year ending fund balance of \$97,482. Amounts available for spending include Restricted, Committed, Assigned and Unassigned Fund Balances; these totaled \$95,488 or 95% of ending fund balance. Of this amount:

- \$75,944 is restricted by law or externally imposed requirements,
- \$9,282 is committed for specific purposes,
- \$500 is assigned fund balance, and;
- \$9,762 is unassigned fund balance.

Spendable fund balance for the General Fund decreased \$2,320 to \$18,424, which equates to 37% of total General Fund expenditures for the year.

Description of the Basic Financial Statements

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

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

Government-wide Financial Statements

The Government-wide Financial Statements provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the County's Assets and Deferred Outflows of Resources and Liabilities and Deferred Inflows of Resources with the difference reported as Net Position.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflows of Resources}) - (\text{Liabilities} + \text{Deferred Inflows of Resources})$$

Over time, increases or decreases in Net Position are a useful indicator of an improving or deteriorating County financial condition.

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

The Government-wide Financial Statements distinguish functions of the County principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities grouped by function of the County include General Government, Public Protection, Public Ways and Facilities, Health and Sanitation, Public Assistance, Education, and Recreation and Culture. The business-type activities of the County include Waterworks District #1.

Component Units are included in the financial statements and are legally separate entities for which the County is financially accountable. If a component unit's total debt is expected to be repaid entirely by the County, if the component unit provides services entirely to the County, or if the component unit has substantially the same governing board as the County and there is a financial benefits or burden relationship or County management has operational responsibility for a component unit, then the component will be classified as a blended component unit. If a component unit does not meet any of the preceding requirements it will be presented as a discrete component unit. The following is a list of the County's blended component units:

1. In-Home Supportive Services Public Authority
2. Gilsizer County Drainage District
3. Sutter County Fish & Game Commission
4. County Service Areas
5. Lighting Districts
6. Children and Families' Commission

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The County's funds are divided into three types:

- Governmental funds
- Proprietary funds
- Fiduciary funds

Governmental Funds

Governmental funds account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year (Modified Accrual Basis of Accounting). Such information may be useful in evaluating the County's near-term financing requirements. To understand the long-term impact of the County's near-term financing decisions, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 130 individual governmental funds combined into 31 funds for financial reporting purposes. The County segregates from the General Fund a number of significant functions in 5 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, Bi-County Mental Health, Welfare, Public Safety/Trial Courts, Mental Health Services Act, and Public Safety Realignment, all considered major funds. Data for the other 15 governmental funds are provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all of its operating funds. The budget and actual comparison schedules provided for the General Fund and major special revenue funds demonstrate performance against this budget.

Pages 30 - 36 of this report display the Governmental Funds Financial Statements.

Proprietary Funds

The County maintains two types of proprietary funds: enterprise funds and internal service funds. The County has one enterprise fund which does not qualify as a major fund.

Enterprise Funds report the same functions presented as business-type activities in the Government-wide Financial Statements. The County uses an enterprise fund to account for Waterworks District #1.

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County's internal service funds account for information technology services, fleet maintenance, employee wellness, and self-insurance programs. Since these services predominately benefit governmental rather than business-type functions, they are consolidated within governmental activities in the Government-wide Financial Statements.

Proprietary funds provide the same type of information as the Government-wide Financial Statements, but in more detail. The proprietary funds financial statements provide separate information for the enterprise fund and the internal service funds. Data for the five internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

Page 37 - 39 of this report display the Proprietary Funds Financial Statements.

Fiduciary Funds

Fiduciary funds account for resources held for the benefit of parties outside the County. Fiduciary funds are not reported in the Government-wide Financial Statements because the resources of those funds are not available to support the County's own programs. Fiduciary fund accounting is similar to proprietary fund accounting. Fiduciary funds report the external portions of the Treasurer's investment pool, a private-purpose trust fund, and agency funds.

Pages 41 - 42 of this report display the Fiduciary Funds Financial Statements.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. Information in the Notes to the Financial Statements is described as follows:

- Note 1 provides a general description of the County's Significant Accounting Policies.
- Notes 2 to 13 provide detailed information on cash and investments, loans receivable, capital assets, lease commitments, long-term liabilities, deferred outflows of resources, interfund transactions, risk management, deferred inflows of resources, and fund balance classifications.
- Notes 14 to 15 provide detailed information on pension plans and other post employments benefits.
- Note 16 provides detailed information on the County's compensated absences liability.
- Note 17 provides other information such as construction commitments and contingent liabilities.
- Note 18 provides other information on significant events affecting the County subsequent to the fiscal year end date of June 30, 2019.

Notes to the Financial Statements start on Page 46 of this report.

Government-wide Financial Analysis

Condensed Statement of Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2019	2018	2019	2018	2019	2018	Dollar Change	% Change
							2018 to 2019	2018 to 2019
Current and other assets	\$ 128,876	\$ 134,806	\$ 409	\$ 272	\$ 129,285	\$ 135,078	\$ (5,793)	-4%
Capital assets	96,008	89,245	1,701	2,193	97,709	91,438	6,271	7%
Total Assets	224,884	224,051	2,109	2,465	226,993	226,516	477	0%
Deferred outflows of resources								
Deferred OPEB	727	499	-	-	727	499	228	46%
Deferred pension	27,156	30,387	4	-	27,160	30,387	(3,227)	-11%
Total deferred outflows of resources	27,883	30,886	4	-	27,887	30,886	(2,999)	-10%
Current and other liabilities	23,051	27,821	91	14	23,142	27,835	(4,693)	-17%
Long term liabilities	164,804	179,238	187	230	164,991	179,468	(14,477)	-8%
Total Liabilities	187,855	207,059	278	244	188,133	207,303	(19,170)	-9%
Deferred inflows of resources								
Deferred OPEB	507	584	-	-	507	584	(77)	-13%
Deferred pension	6,781	7,017	1	-	6,782	7,017	(235)	-3%
Total deferred inflows of resources	7,289	7,601	1	-	7,289	7,601	(312)	-4%
Net investment in capital assets	88,678	81,277	1,489	1,963	90,166	83,240	6,926	8%
Restricted	87,741	74,811	-	-	87,741	74,811	12,930	17%
Unrestricted	(118,796)	(115,811)	346	259	(118,449)	(115,552)	(2,897)	3%
Total Net Position	\$ 57,623	\$ 40,277	\$ 1,835	\$ 2,222	\$ 59,458	\$ 42,499	\$ 16,959	40%

As noted earlier, over time, net position may serve as a useful indicator of a government's financial condition. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40,583 at the close of the current fiscal year.

Analysis of Net Position

The County's total net position increased by \$16,959, or 40%, during the fiscal year. As described below, the County experienced a net decrease mainly due to reductions in restricted net position and changes in net investment in capital assets.

Restricted net position

Restricted net position of \$87,741 represents resources that subject to external restrictions on their use or by enabling legislation. Due to the unique nature of funding sources and the unrestricted impact of the net pension and OPEB liabilities, the County has significantly more restricted net position dollars than unrestricted net position dollars. Restricted net position is comprised of the following:

- \$26,391 (30.1%) for health and social services.
- \$19,262 (22.0%) for public protection.
- \$18,094 (20.6%) for public ways and facilities.
- \$2,551 (2.9%) for taxes and fees.
- \$4,618 (5.3%) for other restrictions.
- \$5,824 (6.6%) for general government.

Restricted net position increased \$12,930, or 17%.

Net investment in capital assets

The largest portion of the County's net position is invested in capital assets (e.g. land, buildings, roads, bridges, flood control channels, machinery, equipment, and intangible assets), less the related and outstanding debt used to acquire those assets and related deferred inflows of resources. The County uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, 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.

Capital Assets

Governmental & Business-Type	2019	2018	Variance Amount	Percentage Change
Investment in capital assets (net of accumulated depreciation)	\$ 97,709	\$ 91,438	\$ 6,271	6.9%
Less:				
Related Debt	(7,542)	(8,198)	656	-8.0%
Net Investment in Capital Assets	<u>\$ 90,166</u>	<u>\$ 83,240</u>	<u>\$ 6,926</u>	<u>8.3%</u>

The \$6,926, or 8.3% increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation, and the addition and/or retirement of related long-term debt and deferred inflows of resources.

Capital additions were related primarily to construction activity on the Jail Expansion Project of \$7,184, Civic Center Blvd. of \$1,103, and the health services building project of \$699. The County recorded depreciation expense of \$6,211.

Unrestricted net position

The negative unrestricted net position of \$(118,449) increased by \$(2,897), or 2.5% from the prior year. The majority of negative unrestricted net position is primarily the result of the County's unfunded pension and OPEB liabilities offset by positive unrestricted net position predominately in the County's General Fund.

A summary of the changes in net position from 2018 to 2019 is presented below.

	Changes in Net Position (in thousands)						Total	
	Governmental Activities		Business-Type Activities		Total		Dollar Change	% Change
	2019	2018	2019	2018	2019	2018	2018 to 2019	2018 to 2019
Program revenues:								
Fees, fines & charges								
for services	\$ 45,613	\$ 27,383	\$ 260	\$ 260	\$ 45,873	\$ 27,643	\$ 18,230	66%
Operating grants	133,715	128,859	-	-	133,715	128,859	4,856	4%
Capital grants	-	-	178	45	178	45	133	293%
Total program revenues	<u>179,328</u>	<u>156,242</u>	<u>438</u>	<u>305</u>	<u>179,766</u>	<u>156,547</u>	<u>23,218</u>	<u>15%</u>
General revenues:								
Property taxes	31,965	31,175	-	-	31,965	31,175	790	3%
Franchise taxes	1,263	1,309	-	-	1,263	1,309	(46)	-4%
Sales and use taxes	4,745	4,348	-	-	4,745	4,348	396	9%
Transportation taxes	976	860	-	-	976	860	116	13%
Transfer taxes	455	425	-	-	455	425	30	7%
Other	366	436	-	-	366	436	(70)	-16%
Unrestricted interest and investment earnings	3,867	523	9	1	3,875	523	3,352	641%
Tobacco settlement	972	1,003	-	-	972	1,003	(31)	-3%
Miscellaneous	3,987	1,473	-	-	3,987	1,473	2,514	171%
Total general revenues	<u>48,596</u>	<u>41,553</u>	<u>9</u>	<u>1</u>	<u>48,605</u>	<u>41,554</u>	<u>7,051</u>	<u>17%</u>
Total revenues	<u>227,924</u>	<u>197,795</u>	<u>446</u>	<u>306</u>	<u>228,370</u>	<u>198,101</u>	<u>30,269</u>	<u>15%</u>
Expenses:								
General government	31,856	41,030	-	-	31,856	41,030	(9,175)	-22%
Public protection	59,864	46,834	-	-	59,864	46,834	13,030	28%
Public ways and facilities	10,238	12,162	-	-	10,238	12,162	(1,924)	-16%
Health and sanitation	59,027	49,935	-	-	59,027	49,935	9,092	18%
Public assistance	46,931	48,341	-	-	46,931	48,341	(1,410)	-3%
Education	1,744	1,759	-	-	1,744	1,759	(14)	-1%
Recreation and culture	566	929	-	-	566	929	(363)	-39%
Community development	-	-	-	-	-	-	-	0%
Interest and fiscal charges	352	367	-	-	352	367	(16)	-4%
Water Works District No. 1	-	-	833	374	833	374	459	123%
Total expenses	<u>210,579</u>	<u>201,357</u>	<u>833</u>	<u>374</u>	<u>211,412</u>	<u>201,731</u>	<u>9,680</u>	<u>5%</u>
Excess (deficiency) of revenues over (under) expenses	<u>17,345</u>	<u>(3,562)</u>	<u>(387)</u>	<u>(68)</u>	<u>16,959</u>	<u>(3,630)</u>	<u>20,589</u>	<u>-567%</u>
Transfers	-	-	-	-	-	-	-	0%
Change in Net Position	<u>17,345</u>	<u>(3,562)</u>	<u>(387)</u>	<u>(68)</u>	<u>16,959</u>	<u>(3,630)</u>	<u>20,589</u>	<u>-567%</u>
Net Position, beginning, restated	<u>40,277</u>	<u>43,840</u>	<u>2,221</u>	<u>2,289</u>	<u>42,499</u>	<u>46,129</u>	<u>(3,630)</u>	<u>-8%</u>
Net Position, ending	<u>\$ 57,623</u>	<u>\$ 40,277</u>	<u>\$ 1,835</u>	<u>\$ 2,221</u>	<u>\$ 59,458</u>	<u>\$ 42,499</u>	<u>\$ 16,959</u>	<u>40%</u>

Analysis of Governmental Activities

Governmental activities increased the County's net position by \$17,345 to \$57,623, accounting for 98% of the County's total reduction in net position resulting from governmental activities operating revenues not keeping pace with operating expenditures.

Revenues

Total revenues for the County's Governmental Activities had an overall increase from the prior year of \$30,129, or 15.2%, to \$227,924. Revenues are divided into two categories: Program Revenues and General Revenues.

Program Revenues had an overall increase of \$23,086, or 15%, to \$179,328, from the prior year. As an arm of the State government, a significant portion of the charges for services and operating grants and contributions are tied to mandated programs such as welfare, health and behavioral health services. Total program revenues represent 79% of the County's funding for governmental activities.

- *Fees, fines and & charges for services* increased \$18,230, or 65.95%, to \$45,873.

- *Operating grants* (intergovernmental revenues) increased \$4,856, or 3.77%, to \$133,715.
- *Capital grants* (intergovernmental revenues) increased \$133, or 293%.

General Revenues had an overall increase of \$30,129, or 15%, to \$227,924, from the prior year. These revenues included general taxes which provided the Board of Supervisors with the most discretionary spending ability. Since the formation of California County government in the 1850’s, basic public safety services such as sheriff, fire, probation, and district attorney consume most of these resources. The increase in general revenues is due primarily to:

- *Sales and use tax* grew \$396, or 9.11%, to \$4,745.
- *Property taxes* increase 790, or 2.53%, to 31,965.
- *Franchise tax* decrease \$(46), or -4%, to \$1,263.

Expenses had an overall increase for all activities of \$9,680, or 4.80%, to \$211,412 from the prior year.

Analysis of Business-type Activities

The net position of business-type activities decreased by \$(387), or -17%, to \$1,835 which indicates these activities do not generate revenues sufficient to cover the costs of operations. In addition, \$178, or 41% of total revenue, came from capital grants. Although grant funding is regularly applied for and awarded due to the low per-capita income of the area residents, there is no guarantee that these funds will be received each year.

Financial Analysis of the County’s Fund Balance

Fund Balances (in thousands)

	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total		Total	
						2019	2018	Dollar	Percentage
								Change	Change
General Fund	\$ 2,396	\$ 2,518	\$ 5,673	\$ 472	\$ 9,762	\$ 20,820	\$ 22,517	\$ (1,697)	(7.5%)
Major Funds									
Bi-County Behavioral Health	31	8,937	-	-	-	8,968	2,243	6,725	299.8%
Welfare	26	9,701	-	-	-	9,727	588	9,139	1554.3%
Public Safety/Trial Courts	66	4,694	341	-	-	5,100	(2,689)	7,789	(289.7%)
Mental Health Services Act	2,295	8,218	-	-	-	10,512	14,007	(3,495)	(24.9%)
Public Safety Realignment	-	14,243	-	-	-	14,243	14,157	86	0.6%
Other Governmental Funds	42	27,634	3,268	29	-	30,972	46,659	(15,687)	(33.6%)
Total Fund Balances	<u>\$ 4,855</u>	<u>\$ 75,944</u>	<u>\$ 9,282</u>	<u>\$ 500</u>	<u>\$ 9,762</u>	<u>\$ 100,343</u>	<u>\$ 97,482</u>	<u>\$ 2,861</u>	<u>2.9%</u>

Governmental Funds

The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources (modified accrual basis of accounting). Such information is useful in assessing the County’s financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of a government’s resources available for spending at the end of the fiscal year.

At June 30, 2019, the County's Governmental Funds reported total fund balance of \$100,343, a \$2,861 increase in comparison with the prior year's total ending fund balances. The components of total fund balance are as follows (for more information see Note 12 – Fund Balance Classifications):

- *Nonspendable Fund Balance*, \$4,855, are amounts that are not spendable in form, or are legally or contractually required to be maintained intact and are made up of (1) long-term receivables of \$4,775, (2) prepaid expenses of \$51, and (3) inventory of \$29.
- *Restricted Fund Balance*, \$75,944, consists of amounts with constraints put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for (1) purpose of fund (i.e. flood control), (2) grants for capital outlay, and (3) legislated amounts reserved for healthcare.
- *Committed Fund Balance*, \$9,282, consists of amounts for specific purposes determined by the Board, which includes capital projects.
- *Unassigned Fund Balance*, \$9,762, represents the residual balance for the County's General Fund.

Approximately 95%, or \$95,488 of the total fund balance is spendable which means it is available to meet the County's current and future needs. With the approval of the Board, County management can earmark a portion of fund balance to a particular function, project or activity, and can also earmark it for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time.

General Fund

The General Fund is the main operating fund of the County. The General Fund's total fund balance decreased by 8%, or \$1,696, to \$20,820 at June 30, 2019.

The spendable portion of fund balance decreased \$2,321. The nonspendable portion of fund balance increased \$624, to \$2,396.

As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 65% of total General Fund expenditures while spendable fund balance equates to 58% of total General Fund expenditures. Of the General Fund spendable fund balance, \$2,518, or 12%, is restricted, \$5,673 or 27% is committed, \$472, or 2% is assigned and \$9,762, or 47% is unassigned.

Major Funds

The County has six other major governmental funds. The bi-county behavioral health fund has a total fund balance of \$8,968, the welfare fund of \$9,727, the public safety/trial courts fund of \$5,100, mental health services act fund of \$10,512, and public safety realignment fund of \$14,243 at the end of the year. The other governmental funds' fund balances decreased \$(15,687), or -33.6%, to \$30,972. The five other major funds had changes in fund balances, including restatements, as follows: bi-county behavioral health fund of \$6,725, welfare fund of \$9,140, public safety/trial courts of negative \$7,789, Mental Health Services Act fund of \$(3,495), and public safety/realignment of \$85.

Proprietary Funds

The enterprise funds total net position, which consists of Waterworks District No. 1, decreased \$68, or 3% lower than the prior year. Operating Revenues remained steady at \$260, while operating expenses decreased 18% to \$373. Operating deficits have been experienced over the past couple of years; \$192 in 2017 and \$113 in 2018. Although it is possible that additional grant monies will be awarded to the struggling utility district and community of Robbins, grant

monies received in 2018-\$45 and 2019-\$178 have not been sufficient to cover the operating deficits. Accordingly, operating revenues may have to be raised, in the future to meet the operating expenses of the utility district.

Total internal service funds' net position decreased by \$884, or 51%, and ended with a deficit balance of \$2,617.

Capital Assets & Debt

Capital Assets

Capital Assets (net of depreciation, in thousands)

	Governmental		Business-Type		Total		Total	
	Activities		Activities		Total		Dollar	Percent
	2019	2018	2019	2018	2019	2018	Change	Change
Land	\$ 3,035	\$ 3,035	\$ 58	\$ 58	\$ 3,093	\$ 3,093	\$ -	0.0%
Construction in Progress	30,202	20,404	103	431	30,305	20,835	9,470	45.5%
Capital assets, not being depreciated	33,237	23,439	161	489	33,398	23,928	9,470	39.6%
Land Improvements	36	-	-	-	36	-	36	100.0%
Structures and improvements	27,230	28,155	1,540	1,704	28,770	29,859	(1,089)	-3.6%
Equipment	3,354	5,258	-	-	3,354	5,258	(1,903)	-36.2%
Vehicles	2,815	-	-	-	2,815	-	2,815	100.0%
Infrastructure	29,055	31,856	-	-	29,055	31,856	(2,801)	-8.8%
Software	280	537	-	-	280	537	(256)	-47.8%
Capital assets, net of accumulated depreciation	62,771	65,805	1,540	1,704	64,311	67,510	(3,199)	-4.7%
Total	\$ 96,008	\$ 89,245	\$ 1,701	\$ 2,193	\$ 97,709	\$ 91,438	\$ 6,271	6.9%

During the fiscal year, the County's investment in capital assets, net of accumulated depreciation, increased by \$6,271 or 7% from the prior year. This investment was in a range of capital assets including construction in progress (CIP), equipment, and vehicles. Major capital asset additions include a variety of vehicles, \$475 for dispatch console upgrades for the Sheriff's Office, and \$231 for information technology infrastructure and networking.

In addition to purchasing capital assets, the County constructs capital assets. If the asset has not been completed as of the end of the fiscal year, the costs incurred are added to Construction in Progress (CIP). Major additions to CIP include:

- \$7,184 for the jail expansion project
- \$1,102 for the purchase of the property at 1190 Civic Center Blvd.
- \$699 for the Health Services building project

Additional capital asset information, including depreciation, amortization, and outstanding CIP as of June 30, 2019, can be found in Note 5 of the Notes to the Financial Statements.

Debt

Outstanding Debt (in thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2019	2018	2019	2018	2019	2018	Dollar Change	Percent Change
	Refinancing lease agreement	\$ 195	\$ 382	\$ -	\$ -	\$ 195	\$ 382	\$ (187)
Capital leases	7,135	7,585	180	189	7,315	7,774	(459)	-5.9%
Sutter County Water District loans	-	-	32	41	32	41	(9)	-22.4%
Total	\$ 7,330	\$ 7,967	\$ 212	\$ 230	\$ 7,542	\$ 8,198	\$ (655)	-8.0%

During the fiscal year, long-term debt outstanding decreased by \$655, or 8% from the prior year. Total long-term debt outstanding was \$7,542 at June 30, 2019. This balance consists primarily of capital lease obligations; \$7,308 for solar panels and energy upgrades and \$7 for copy machines. The solar panel lease and copier lease mature in 2029 and 2019, respectively.

General Fund Budgetary Highlights

Over the course of the year, the Board of Supervisors revised the County’s budget. 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 process by which the County Administrative Office analyzes each department’s expenditures and revenues.

Differences between the Adopted Budget and the Final Budget for the General Fund are summarized in the table below:

General Fund

	Adopted Budget	Final Budget	Variance	
			Amount	Percent
Total revenues	\$ 61,532	\$ 62,334	\$ 802	1.30%
Total expenditures	(66,546)	(68,023)	(1,477)	2.22%
Other financing sources (uses)	3,019	234	(2,785)	-92.25%
Net change in fund balances	\$ (1,995)	\$ (5,455)	\$ (3,460)	173.43%

Differences between the Final Budget and actual amounts for the General Fund are summarized in the table below:

General Fund

	Final Budget	Actual	Variance	
			Amount	Percent
Total revenues	\$ 62,334	\$ 55,161	\$ (7,173)	-11.51%
Total expenditures	(68,023)	(50,107)	17,916	-26.34%
Other financing sources (uses)	234	(6,750)	(6,984)	-2984.48%
Net change in fund balances	<u>\$ (5,455)</u>	<u>\$ (1,696)</u>	<u>\$ 3,759</u>	<u>-68.91%</u>

Economic Factors and Next Year’s Budget and Rates

The following factors were considered in preparing the County’s operating budget for FY 2020:

General revenues include property taxes, fines, sales and use taxes, and other state revenues and miscellaneous taxes. For FY 2020, the County estimated an overall increase of \$5,600, or 13%, compared to the FY 2019 Adopted Budget. Of that increase, \$2,700 represents an overall increase in property, sales and other tax revenue.

The countywide Recommended Budget provides an increase in appropriations of \$17,474, or 5.0%, totaling \$369,840 compared to the FY 2019 Adopted Budget. Of that, General Fund appropriations fell \$2,972, or (4.1)%, to \$69,587.

The State once again adopted an on-time budget and its financial condition continues to increase its’ General Fund reserves and has created the biggest reserve in state history – all while helping Californians tackle affordability challenges.

The County’s FY 2020 Recommended Budget can be found at:

https://www.suttercounty.org/doc/government/depts/cao/cao_budget

Requests for Information

The financial report is designed to provide a general overview of the County’s finances for all interested parties. Questions concerning any of the information provided in this reports or requests for additional information should be addressed to Sutter County Auditor-Controller, 463 Second Street, Yuba City, CA 95991. The County’s Comprehensive Annual Financial Report can also be found on the County’s website.

Basic Financial Statements



COUNTY OF SUTTER
Statement of Net Position
June 30, 2019

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and investments (Note 3)	\$ 92,410,096	\$ 246,898	\$ 92,656,994
Cash with fiscal agent (Note 3)	7,310,371	-	7,310,371
Accounts receivable	439,500	181,268	620,768
Due from other governments	30,073,506	-	30,073,506
less allowance for doubtful accounts	(5,716,392)	(6,026)	(5,722,418)
Taxes receivable	650,066	-	650,066
Interest receivable	594,228	1,483	595,711
Prepaid expenses	206,465	-	206,465
Inventories	36,383	-	36,383
Loans receivable (Note 4)	2,857,060	-	2,857,060
Internal balances	15,065	(15,065)	-
Capital assets:			
Nondepreciable (Note 5)	33,237,051	160,718	33,397,769
Depreciable, net (Note 5)	62,770,660	1,540,119	64,310,779
Total Assets	<u>224,884,059</u>	<u>2,109,395</u>	<u>226,993,454</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred related to OPEB (Note 8)	726,924	-	726,924
Deferred related to pension (Note 8)	27,155,576	4,014	27,159,590
Total Deferred Outflows of Resources	<u>27,882,500</u>	<u>4,014</u>	<u>27,886,514</u>
LIABILITIES			
Accounts payable	7,462,878	30,872	7,493,750
Salaries and benefits payable	2,235,116	15,150	2,250,266
Interest payable	96,586	-	96,586
Deposits from others	286,182	-	286,182
Unearned revenue	242,681	1,013	243,694
Compensated absences	5,758,278	-	5,758,278
Claims reserve for self insurance	863,392	-	863,392
Claims reserve for workers compensation	5,440,228	-	5,440,228
Leases payable	470,637	36,070	506,707
Other liabilities	195,313	7,670	202,983
Long-Term Liabilities:			
Compensated absences	411,213	-	411,213
Leases payable	6,664,241	144,071	6,808,312
Other liabilities	-	24,325	24,325
Total OPEB liability (Note 15)	14,854,554	-	14,854,554
Net pension liability (Note 14)	142,873,700	18,793	142,892,493
Total Liabilities	<u>187,854,999</u>	<u>277,964</u>	<u>188,132,963</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred related OPEB (Note 11)	507,434	-	507,434
Deferred related pension (Note 11)	6,781,469	595	6,782,064
Total Deferred Inflow of Resources	<u>\$ 7,288,903</u>	<u>\$ 595</u>	<u>\$ 7,289,498</u>

COUNTY OF SUTTER
Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
NET POSITION			
Net investment in capital assets	\$ 88,677,518	\$ 1,488,700	\$ 90,166,218
Restricted for (Note 13):			
Taxes and fees	2,550,916	-	2,550,916
General government	5,824,056	-	5,824,056
Public protection	19,262,219	-	19,262,219
Public ways and facilities	18,094,255	-	18,094,255
Health and social services	26,390,795	-	26,390,795
Public assistance	11,000,633	-	11,000,633
Other	4,617,901	-	4,617,901
Unrestricted	(118,795,636)	346,150	(118,449,486)
Total Net Position	<u>\$ 57,622,657</u>	<u>\$ 1,834,850</u>	<u>\$ 59,457,507</u>

COUNTY OF SUTTER
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Program Revenues			
	Direct Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 31,855,752	\$ 9,289,767	\$ 4,524,223	\$ -
Public protection	59,863,859	23,207,362	25,104,811	-
Public ways and facilities	10,238,156	573,052	7,069,875	-
Health and sanitation	59,027,226	3,726,925	60,816,443	-
Public assistance	46,931,234	8,760,403	35,742,515	-
Education	1,744,338	53,169	383,558	-
Recreation and culture	566,486	2,400	73,000	-
Interest on long-term debt	351,567	-	366	-
Total Governmental Activities	<u>210,578,618</u>	<u>45,613,078</u>	<u>133,714,791</u>	<u>-</u>
Business-Type Activities:				
Waterworks District #1	832,973	259,773	-	178,105
Total Business-type Activities	<u>832,973</u>	<u>259,773</u>	<u>-</u>	<u>178,105</u>
Total Primary Government	<u>\$ 211,411,591</u>	<u>\$ 45,872,851</u>	<u>\$ 133,714,791</u>	<u>\$ 178,105</u>

General Revenues:

Taxes:

- Property taxes
- Franchise taxes
- Sales and use taxes
- Transportation taxes
- Transfer taxes
- Other

Unrestricted interest and investment earnings

Tobacco settlement

Miscellaneous

Transfers

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (18,041,762)	\$ -	\$ (18,041,762)
(11,551,686)	-	(11,551,686)
(2,595,229)	-	(2,595,229)
5,516,142	-	5,516,142
(2,428,316)	-	(2,428,316)
(1,307,611)	-	(1,307,611)
(491,086)	-	(491,086)
(351,201)	-	(351,201)
<u>(31,250,749)</u>	<u>-</u>	<u>(31,250,749)</u>
-	(395,095)	(395,095)
-	(395,095)	(395,095)
<u>(31,250,749)</u>	<u>(395,095)</u>	<u>(31,645,844)</u>
31,965,377	-	31,965,377
1,262,710	-	1,262,710
4,744,612	-	4,744,612
975,721	-	975,721
455,219	-	455,219
366,480	-	366,480
3,866,736	8,582	3,875,318
971,875	-	971,875
3,987,365	-	3,987,365
-	-	-
<u>48,596,095</u>	<u>8,582</u>	<u>48,604,677</u>
17,345,346	(386,513)	16,958,833
<u>40,277,310</u>	<u>2,221,363</u>	<u>42,498,673</u>
<u>\$ 57,622,657</u>	<u>\$ 1,834,850</u>	<u>\$ 59,457,507</u>

COUNTY OF SUTTER
Balance Sheet
Governmental Funds
June 30, 2019

	General	Bi-County Behavioral Health	Welfare	Public Safety/ Trial Courts
Assets				
Cash and investments	\$ 8,863,717	\$ 9,969,029	\$ 7,676,174	\$ 8,592,720
Cash with fiscal agent	2,464,956	-	-	-
Accounts receivable	316,395	33,962	1,882	67,206
Due from other governments	1,904,608	14,119,754	2,814,200	2,696,550
less allowance for doubtful accounts	-	(5,716,392)	-	-
Interest receivable	148,236	33,303	36,497	37,642
Taxes receivable	649,864	-	-	-
Due from other funds	7,173,129	7,627,902	7,390,495	3,116,905
Prepaid expenses	51,869	31,199	26,207	65,644
Inventory	-	-	-	-
Advances to other funds	2,142,682	-	-	-
Loans receivable	201,491	-	-	-
less allowance for doubtful accounts	-	-	-	-
Total Assets	\$ 23,916,947	\$ 26,098,757	\$ 17,945,455	\$ 14,576,667
Liabilities				
Accounts payable	\$ 620,699	\$ 2,568,574	\$ 187,795	\$ 1,248,499
Salaries and benefits payable	434,789	517,975	403,868	556,594
Deposits from others	145,474	-	2	1,804
Due to other funds	925,925	3,414,812	6,307,231	7,467,631
Advances from other funds	-	3,322,851	-	-
Unearned revenue	11,184	-	19,719	22,524
Total Liabilities	2,138,071	9,824,212	6,918,615	9,297,052
Deferred Inflows of Resources				
Unavailable revenue	958,591	7,306,492	1,299,839	179,314
Fund Balances (Note 12)				
Nonspendable	2,396,042	31,199	26,207	65,644
Restricted	2,518,080	8,936,854	9,700,794	4,693,738
Committed	5,672,757	-	-	340,919
Assigned	471,623	-	-	-
Unassigned	9,761,783	-	-	-
Total Fund Balances	20,820,285	8,968,053	9,727,001	5,100,301
Total Liabilities, Deferred Inflows Resources and Fund Balances	\$ 23,916,947	\$ 26,098,757	\$ 17,945,455	\$ 14,576,667

Mental Health Services Act	Public Safety Realignment	Other Governmental	Total	
\$ 9,117,327	\$ 13,549,031	\$ 32,729,790	\$ 90,497,788	Assets
500	-	-	2,465,456	Cash and investments
1	-	20,053	439,499	Cash with fiscal agent
1,129,865	4,571,752	2,824,200	30,060,929	Accounts receivable
-	-	-	(5,716,392)	Due from other governments
63,055	95,857	175,818	590,408	less allowance for doubtful
-	-	202	650,066	Interest receivable
2,145,988	2,451,446	1,689,127	31,594,992	Taxes receivable
-	-	17,896	192,815	Due from other funds
-	-	23,624	23,624	Prepaid expenses
2,294,789	-	-	4,437,471	Inventory
874,458	-	1,781,111	2,857,060	Advances to other funds
-	-	-	-	Loans receivable
				less allowance for doubtful
<u>\$ 15,625,983</u>	<u>\$ 20,668,086</u>	<u>\$ 39,261,821</u>	<u>\$ 158,093,716</u>	Total Assets
				Liabilities
\$ 3,623	\$ 5,508	\$ 2,749,622	\$ 7,384,320	Accounts payable
-	-	255,908	2,169,134	Salaries and benefits payable
-	-	138,902	286,182	Deposits from others
5,110,047	6,419,644	1,789,006	31,434,296	Due to other funds
-	-	1,114,620	4,437,471	Advances from other funds
-	40	188,588	242,055	Unearned revenue
<u>5,113,670</u>	<u>6,425,192</u>	<u>6,236,646</u>	<u>45,953,458</u>	Total Liabilities
				Deferred Inflows of Resources
-	-	2,052,764	11,797,000	Unavailable revenue
				Fund Balances (Note 12)
2,294,789	-	41,520	4,855,401	Nonspendable
8,217,524	14,242,894	27,633,891	75,943,775	Restricted
-	-	3,268,451	9,282,127	Committed
-	-	28,549	500,172	Assigned
-	-	-	9,761,783	Unassigned
<u>10,512,313</u>	<u>14,242,894</u>	<u>30,972,411</u>	<u>100,343,258</u>	Total Fund Balances
<u>\$ 15,625,983</u>	<u>\$ 20,668,086</u>	<u>\$ 39,261,821</u>	<u>\$ 158,093,716</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balances

COUNTY OF SUTTER
 Reconciliation of the Governmental Funds Balance Sheet
 to the Government-Wide Statement of Net Position - Governmental Activities
 June 30, 2019

Fund Balance - total governmental funds (pages 30-31)		\$ 100,343,258
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred OPEB and pension outflows of resources in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		27,199,884
Deferred OPEB and pension inflows of resources in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		(7,178,008)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheets.		95,138,055
Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is recorded as unavailable revenue in the governmental funds.		11,797,000
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.		(96,586)
Long-term liabilities, including capital leases, are not due and payable in the current period, and therefore are not reported in the governmental funds.		
Refinancing lease agreement	(195,313)	
Capital lease	(6,977,286)	
Compensated absences	(5,929,780)	
Total OPEB liability	(14,488,843)	
Net pension liability	<u>(139,761,734)</u>	
		(167,352,955)
Internal service funds are used by the County to charge the cost of its self-insurance risk management and management of fleet maintenance and information technology to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>(2,227,991)</u>
Net position of governmental activities (page 26)		<u>\$ 57,622,657</u>



COUNTY OF SUTTER
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	General	Bi-County Behavioral Health	Welfare	Public Safety/ Trial Courts
Revenues:				
Taxes	\$ 33,767,383	\$ -	\$ -	\$ 14,709
Licenses and permits	2,125,686	-	1,136	21,950
Fines, forfeitures and penalties	82,182	10,322	-	970,620
Use of money and property	837,294	421,234	341,947	225,583
Intergovernmental	6,791,016	15,952,009	37,639,824	12,368,549
Charges for services	10,321,375	1,148,112	1,184,839	24,474,461
Other revenues	1,235,744	826,932	102,625	730,577
Total Revenues	55,160,680	18,358,609	39,270,371	38,806,449
Expenditures:				
Current:				
General government	10,863,731	-	-	-
Public protection	28,727,542	-	-	38,202,467
Public ways and facilities	176,420	-	-	-
Health and sanitation	6,294,839	43,632,526	-	-
Public assistance	705,089	-	48,045,124	-
Education	1,905,059	-	-	-
Recreation and culture	692,496	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	52,975	-	-
Capital outlay	741,787	111,488	58,861	914,976
Total Expenditures	50,106,963	43,796,989	48,103,985	39,117,443
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,053,717	(25,438,380)	(8,833,614)	(310,994)
Other Financing Sources (Uses):				
Transfers in	4,433,373	31,466,397	27,403,530	18,310,032
Transfers out	(11,183,058)	(1,775,626)	(17,732,191)	(16,778,153)
Total Other Financing Sources (Uses)	(6,749,685)	29,690,771	9,671,339	1,531,879
Net Changes in Fund Balances	(1,695,968)	4,252,391	837,725	1,220,885
Fund Balances, Beginning of Year, restated	22,516,253	4,715,662	8,889,276	3,879,416
Fund Balances, End of Year	\$ 20,820,285	\$ 8,968,053	\$ 9,727,001	\$ 5,100,301

Mental Health Services Act	Public Safety Realignment	Other Governmental	Total	
\$ -	\$ -	\$ 4,725,315	\$ 38,507,407	Revenues:
-	-	508,153	2,656,925	Taxes
-	-	133,923	1,197,047	Licenses and permits
336,464	515,504	1,180,082	3,858,108	Fines, forfeitures and penalties
8,190,999	32,351,919	16,722,843	130,017,159	Use of money and property
-	1,437,310	4,025,573	42,591,670	Intergovernmental
-	116	1,459,926	4,355,920	Charges for services
8,527,463	34,304,849	28,755,815	223,184,236	Other revenues
				Total Revenues
				Expenditures:
				Current:
-	-	9,006,960	19,870,691	General government
-	120,410	6,500,678	73,551,097	Public protection
-	-	8,104,118	8,280,538	Public ways and facilities
14,763	-	12,071,186	62,013,314	Health and sanitation
-	-	5,262	48,755,475	Public assistance
-	-	257	1,905,316	Education
-	-	1,811	694,307	Recreation and culture
-	-	624,499	624,499	Debt Service:
-	-	303,369	356,344	Principal
-	-	2,444,638	4,271,750	Interest
14,763	120,410	39,062,778	220,323,331	Capital outlay
				Total Expenditures
8,512,700	34,184,439	(10,306,963)	2,860,905	Excess (Deficiency) of Revenues Over (Under) Expenditures
				Other Financing Sources (Uses):
-	11,224,712	14,799,326	107,637,370	Transfers in
(12,007,647)	(45,323,716)	(2,836,979)	(107,637,370)	Transfers out
(12,007,647)	(34,099,004)	11,962,347	-	Total Other Financing Sources
(3,494,947)	85,435	1,655,384	2,860,905	Net Changes in Fund Balances
14,007,260	14,157,459	29,317,027	97,482,353	Fund Balances, Beg. of Year, As Restated
\$ 10,512,313	\$ 14,242,894	\$ 30,972,411	\$ 100,343,258	Fund Balances, End of Year

COUNTY OF SUTTER

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2019

Net change to fund balance - total governmental funds (pages 33-34)	\$	2,860,905
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	12,359,794	
Less: current year depreciation	<u>(5,863,704)</u>	6,496,090
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		3,697,632
Long-term debt proceeds provide current financial resources to governmental but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments:		
Interest payments	4,777	
Capital leases	<u>723,253</u>	728,030
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences		219,440
Change in OPEB liability and deferred OPEB inflows/outflows		(690,147)
Change in net pension liability and deferred pension inflows/outflows		3,644,409
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		<u>388,987</u>
Change in net position of governmental activities (pages 28-29)	\$	<u><u>17,345,346</u></u>

COUNTY OF SUTTER
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities <u>Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
	Waterworks District No. 1	
ASSETS		
Current Assets:		
Cash and investments	\$ 246,898	\$ 1,912,308
Cash with fiscal agent	-	4,844,915
Accounts receivable	181,268	12,577
less allowance for doubtful accounts	(6,026)	-
Interest receivable	1,483	3,820
Due from other funds	-	22,394
Prepaid expenses	-	13,650
Inventory	-	12,759
Total Current Assets	<u>423,623</u>	<u>6,822,422</u>
Noncurrent Assets:		
Capital assets:		
Non-depreciable	160,718	51,526
Depreciable, net	1,540,119	818,130
Total Noncurrent Assets	<u>1,700,837</u>	<u>869,656</u>
Total Assets	<u>2,124,460</u>	<u>7,692,078</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred related to pension	4,014	664,719
Deferred related to OPEB	-	17,897
Total Deferred Outflows of Resources	<u>4,014</u>	<u>682,616</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	30,872	78,557
Salaries and benefits payable	15,150	65,982
Compensated absences	-	223,734
Claims payable	-	6,303,620
Capital lease payable	36,070	-
Loan payable	7,670	-
Due to other funds	15,065	168,025
Unearned revenue	1,013	626
Total Current Liabilities	<u>105,840</u>	<u>6,840,544</u>
Noncurrent Liabilities:		
Compensated absences	-	15,977
Capital lease payable	144,071	157,592
Loan payable	24,325	-
Net pension liability	18,793	3,111,966
Net OPEB liability	-	365,711
Total Noncurrent Liabilities	<u>187,189</u>	<u>3,651,246</u>
Total Liabilities	<u>293,029</u>	<u>10,491,790</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred related to pension	595	98,402
Deferred related to OPEB	-	12,493
Total Deferred Inflows of Resources	<u>595</u>	<u>110,895</u>
NET POSITION		
Net investment in capital assets	1,488,700	712,064
Unrestricted	346,150	(2,940,055)
Total Net Position	<u>\$ 1,834,850</u>	<u>\$ (2,227,991)</u>

COUNTY OF SUTTER
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities	Governmental Activities
	Enterprise Fund	
	Waterworks District No. 1	Internal Service Funds
Operating Revenues:		
Charges for services	\$ 259,773	\$ 10,126,821
Other revenues	-	37,858
Total Operating Revenues	<u>259,773</u>	<u>10,164,679</u>
Operating Expenses:		
Salaries and benefits	54,389	2,330,986
Services and supplies	176,998	6,793,295
Other Charges	1,516	476,595
Depreciation	164,303	183,444
Total Operating Expenses	<u>397,206</u>	<u>9,784,320</u>
Operating Income (Loss)	<u>(137,433)</u>	<u>380,359</u>
Non-Operating Revenue (Expenses):		
Investment income	8,582	8,628
Loss on disposal of capital assets	(430,526)	-
Interest expense	(5,241)	-
Total Non-Operating Revenue (Expenses)	<u>(427,185)</u>	<u>8,628</u>
Net Income (Loss) Before Capital Contributions and Transfers	(564,618)	388,987
Capital contributions	<u>178,105</u>	-
Change in Net Position	(386,513)	388,987
Net Position - Beginning of Year	<u>2,221,363</u>	<u>(2,616,978)</u>
Net Position - End of Year	<u>\$ 1,834,850</u>	<u>\$ (2,227,991)</u>

COUNTY OF SUTTER
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities	Governmental Activities
	Enterprise Fund	
	Waterworks District No. 1	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from customers	\$ 261,203	\$ 14,168,136
Cash paid to suppliers for goods and services	(140,773)	(6,478,204)
Cash paid to employees for services	(55,044)	(2,924,947)
Net Cash Provided (Used) by Operating Activities	65,386	4,764,985
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Interfund loans received (paid)	15,310	10,266
Miscellaneous cash received (paid)	-	56,156
Net Cash Provided (Used) by Noncapital Financing Activities	15,310	66,422
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contributions	31,227	-
Principal payments on capital leases	-	(1,240)
Payments related to the acquisition of capital assets	(102,718)	(148,245)
Payment of long-term debt	(9,227)	-
Interest payments	(5,241)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(85,959)	(149,485)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received (paid)	8,151	20,614
Net Cash Provided (Used) by Investing Activities	8,151	20,614
Net Increase (Decrease) in Cash and Cash Equivalents	2,888	4,702,536
Cash and Cash Equivalents, Beginning of Year	244,010	2,054,690
Cash and Cash Equivalents, End of Year	\$ 246,898	\$ 6,757,226

continued

COUNTY OF SUTTER
Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities	Governmental Activities
	Enterprise Fund	
	Waterworks District No. 1	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (137,433)	\$ 380,359
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	164,303	183,444
Loss on disposal of capital assets	-	704
Changes in assets, liabilities and deferred (Increase) decrease in:		
Accounts receivable	(4,378)	(10,188)
Deposits and prepaid expenses	3,150	(9,468)
Inventory	-	-
Increase (decrease) in:		
Accounts payable	40,967	(384,350)
Salaries and benefits payable	(655)	16,529
Compensated absences payable	-	64,624
Claims liability	-	5,806,048
Other liabilities	-	93,444
Net pension liability	-	(1,453,456)
Net OPEB liability	-	77,295
Unearned revenue	(568)	-
Net Cash Provided (Used) by Operating Activities	\$ 65,386	\$ 4,764,986

COUNTY OF SUTTER
Statement of Fiduciary Net Position
June 30, 2019

	Private-Purpose Trust Funds	Investment Trust Fund	Agency Funds
Assets			
Cash and investments	\$ 17,568	\$ 142,836,897	\$ 8,405,648
Cash with fiscal agent	-	-	-
Accounts receivable	-	304,669	155,103
Due From Other Governments	-	238,034	-
Interest receivable	88	804,087	1,127,995
Prepaid Expenses	-	59,802	-
Inventory	-	334,146	-
Amount to be provided Debt Service	-	76	-
Taxes receivable	-	655,248	9,023,477
Other assets	-	-	60,818
	17,656	145,232,959	18,773,041
Liabilities			
Accounts payable	-	1,184,359	5,456,262
Accrued salaries and benefits	-	27,046	5,775
Unearned revenues	-	127,449	1,338
Loans payable	-	425,548	-
Agency funds held for others	-	-	13,309,666
	-	1,764,402	\$ 18,773,041
Net position			
Net position held in trust	17,656	143,468,557	
	\$ 17,656	\$ 143,468,557	

COUNTY OF SUTTER
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	Private-Purpose Trust Funds	Investment Trust Funds
Additions		
Contributions to pooled investments	\$ 2,625	\$ 16,371,419
Interest and Investment income	88	471,675
Total Additions	2,713	16,843,094
Deductions		
Distributions from pooled investments	601	13,476,262
Total Deductions	601	13,476,262
Change in net position	2,112	3,366,832
Net Position - Beginning of Year, restated	15,544	140,101,725
Net Position - End of Year	\$ 17,656	\$ 143,468,557



**Notes to the
Financial Statements**



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1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a countywide basis including public safety, highway and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The County defines its reporting entity in accordance with accounting principles generally accepted in the United States of America (GAAP), which provides guidance for determining which governmental activities, organizations and functions should be included in the reporting entity. The accompanying financial statements present information on the activities of the reporting entity, including all fund types of the County (the primary government) and its component units.

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 County's operations and, therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the County's basic financial statements include all financial activities of the following special districts as blended component units because their Board of Directors is composed of the same members as the County's board. These component units have not issued separate financial statements.

Discretely Presented Component Units

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

Blended Component Units

The blended component units' governing bodies are substantially the same as the governing body of the primary government. Component units that are blended into the reporting activity types of the County's report are presented below:

Special Assessment Districts – The assessment districts are separate legal entities formed to provide various services within the County.

Lighting Districts – The lighting districts are separate legal entities formed to provide lighting services within the County.

Landscape Districts – The landscape districts are separate legal entities formed to provide landscape services within the County.

The accompanying financial statements include an Investment Trust Fund that holds assets of numerous self-governed school and special districts for which the County Treasurer-Tax Collector acts as custodian. The financial

reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments, and other assets, and the related fiduciary responsibility of the County for disbursement of these assets. The County Auditor-Controller makes disbursements upon the request of the special district officers. Activities of the school and special districts are administered by separate boards and are independent of the County Board of Supervisors. The County Board of Supervisors has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or to appropriate surplus funds available in these entities. Sutter County Schools do not issue independent audited financial statements but report directly to the California Department of Education. The individual Sutter County Special Districts do have independent audited financial statements. Individuals interested in obtaining a copy of a district's report should contact the district directly.

The accompanying financial statements also include six different private purpose trust funds. These funds are mostly comprised of monies held on behalf of citizens by order of the courts until such time the courts release the monies. The County Board of Supervisors has no effective authority to govern, manage, assume financial accountability, or to appropriate surplus funds available in these entities.

New Accounting Pronouncements

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

Statement No. 88
Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements

This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash or other assets that may be used in lieu of cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This statement defines direct borrowings and direct placements as having terms negotiated directly with the investor or lender and are not offered for public sale. For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

Financial Statements

In accordance with GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," the financial statements consist of the following:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities

and report information on all of the nonfiduciary activities of the primary government and its component units. Generally, the effect of interfund intra-function activity has been eliminated from the government-wide financial statements. All internal balances in the Statement of Net Position that have been eliminated, except for those representing balances between the governmental activities and the business-type activities, are presented as internal balances and eliminated in the total government column.

The Statement of Activities presents functional revenue and expenses of governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the Statement of Activities, internal service funds' revenue and expenses related to interfund services have been eliminated. Revenue and expenses related to services provided to external customers have not been eliminated and are presented within governmental activities.

The 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 a significant 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 and culture. The business-type activities of the County include water and sewer services of the Robbins community.

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the county of meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are

recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

For the governmental funds financial statements, the County considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services and other miscellaneous revenue are all considered to be susceptible to accrual, and have been recognized as revenue in the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All expenditure-driven grants are recorded at the time of receipt or earlier. If qualifying expenditures have been incurred and all other requirements are met, except for the timing requirement, a deferred inflow of resources is reported until time requirements have passed.

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

In accordance with GAAP the County reports on each major governmental fund. By definition, the general fund is always considered a major fund. Governmental funds other than the general fund must be reported as major funds if they meet both the ten percent and five percent criterion, defined respectively, 1) An individual governmental fund reports at least ten percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures; 2) an individual governmental fund reports at least five percent of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the ten percent criterion. In addition, a fund may be reported as major if it is believed to be of particular importance to financial statement users.

The County reports the following major governmental funds:

- The **General Fund** is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, public assistance, education, public ways and facilities, and culture and recreation services.
- The **Bi-County Behavioral Health Fund** is a special revenue fund used to account for revenues and expenditures for mental health activities.

- The **Welfare Fund** is a special revenue fund used to account for revenues and expenditures for social welfare programs.
- The **Public Safety/Trial Courts Fund** is a special revenue fund used to account for revenues and expenditures for public safety programs.
- The **Mental Health Services Act Fund** is a special revenue fund used to account for revenues and expenditures for Proposition 63, the Mental Health Services Act.
- The **Public Safety Realignment Fund** is a special revenue fund used to account for the realignment of revenues and expenditures for public safety programs.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services.

Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following proprietary funds:

- An Enterprise Fund accounts for Water Works District No. 1 activities related to the provision of water services.
- Internal Service Funds account for the County's fleet maintenance, information technology, and self-insurance programs which provide services to other departments on a cost reimbursement basis.

Fiduciary funds include private purpose trust, investment trust and agency funds. All investment trust funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds. Agency funds, however, are unlike all other types of funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The County reports the following fiduciary funds:

- The Private-Purpose Trust Funds account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments such as escheat property.
- The Investment Trust Funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The entities include school and community college districts, other special districts governed by local boards, regional boards and authorities, and pass-through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The Agency Funds account for assets held by the County in a custodial capacity on behalf of various local

governments and individuals.

Cash and Cash Equivalents

For purposes of the accompanying Statement of Cash Flows, the enterprise and internal service funds consider their equity in the County Treasurer's Investment pool along with all highly liquid investments having a maturity of three months or less at the time of purchase to be cash equivalents.

The Treasurer's Investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Code statutes and the County Treasury Oversight Committee set forth the various investment policies that the County Treasurer must follow.

Investments

The County sponsors an investment pool that is managed by the County Treasurer. The Treasurer invests on behalf of most funds of the County and external participants in accordance with the California State Government Code and the County's investment policy. State statutes authorize the County to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptance, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund.

Investment transactions are recorded on the trade date at cost. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

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

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of

accounts receivable. Major receivable balances for the governmental activities include taxes, grants, and interest. Business-type activities report user fees and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accounts such as taxes, grants, interest, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the full accrual basis of accounting. Interest and investment earnings are included in the current fiscal year if they are collected within 60 days of fiscal year end.

Proprietary fund major receivables consist of all revenues earned at year-end and not yet received. User fee receivable and interest earnings compose the majority of proprietary fund receivables. Allowance for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Interfund Transactions

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

- Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.
- Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and, therefore, are not eliminated in the process of preparing the government-wide Statement of Activities.
- Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.
- All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

Inventory and Prepaid Expenses

Inventories are stated at cost (first-in, first-out basis) for governmental funds and proprietary funds. Inventory recorded by governmental funds includes expendable supplies held for consumption. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Reported inventories of governmental funds are equally offset by a fund balance reservation to indicate that portion of fund balance not available for future appropriation. Certain payments to vendors reflect costs applicable to future accounting periods and are therefore considered prepaid expenses.

Loans Receivable

Loans receivable are comprised of mortgage subsidies and long-term loans to other agencies.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, water, sewer, and similar items). Capital assets are defined by the County as equipment with a cost of \$5,000 or more, structures and improvements with a cost of \$150,000 or more, and all land regardless of cost. Equipment reported in the financial statements is at actual historical cost. Structures and improvements and land are reported at actual cost when available or estimated historical cost. Estimated historical cost was arrived at by a variety of methods including the use of factors and comparative sales. Infrastructure assets, including bridges and roads, are reported at estimated historical cost.

Estimated historical cost for bridges was arrived at by developing a listing of all bridges constructed after 1980 and multiplying total square footage by the average cost per square foot and the price level factor for the Price Trends for Federal-Aid Highway Construction. Estimated historical cost for roads was arrived at by multiplying the number of land-miles constructed since 1980 for asphalt with curb and gutter by the average cost per lane-mile and the price level factor from the Price Trends for Federal-Aid Highway Construction. The county has determined the cost of gravel and dirt roads to be minimal and has elected not to capitalize these road types. Contributed capital assets are recorded at estimated fair market value at the date of donation.

Capital assets that are used in governmental fund operations are reported in the government-wide financial statements. Property, plant, equipment and infrastructure are accounted for as capital assets. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Capital assets used in the proprietary fund operations are reported on their respective propriety statement of net position. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	5-25 years
Software	3-10 years
Structures and improvements	5-50 years
Infrastructure	30-50 years

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

Unearned Revenue

Under both the accrual and modified accrual basis of accounting, revenues are recognized only when earned. Thus, the government-wide statement of net position, governmental funds, and enterprise funds defer revenue recognition for resources that have been received at year-end, but not yet earned. Assets recognized before the earning process is complete are offset by a corresponding liability as unearned revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The County has deferred outflows of resources related to pensions and other post-employment benefits.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has deferred inflows of resources related to unavailable revenues report under the modified accrual basis of accounting in the governmental funds balance sheet and related to pensions and OPEB in its government-wide statements.

The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

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

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of loans payable, certificates of participation, and capital leases payable.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt

proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Fund Balances/Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as follows:

- Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets
- Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations or other governments; (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that do not meet the definition of “restricted” or “investment in capital assets.”

When both restricted and unrestricted net position are available, restricted resources are depleted first before the restricted resources are used.

Under GASB Statement No. 54, governmental fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

- Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – This component includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.
- Committed – This component includes amount that can only be used for the specific purposes determined by a formal action of the County’s Board of Supervisors taking the same formal action that imposed the constraint originally.
- Assigned – This component comprises amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the County’s Board of Supervisors or (b) a body (for example: a budget or finance committee) or official to which the County’s Board of Supervisors has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted

resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the County’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

Fund Balance/Net Position Deficit

The following funds had deficit fund balances at June 30, 2019:

	Deficit Amount
General Liability	\$ 306,429
Workers’ Compensation	990,839
Fleet Management	502,139
Information Technology	424,436
Employee Wellness	4,148

The deficits in these funds are expected to be eliminated through future years’ revenues.

Property Tax Levy, Collection and Maximum Rates

The State of California’s (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market, value, as defined by Article XIII A; and may be adjusted by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts.

The County of Sutter assesses properties and bills for and collects property taxes as follows:

	Secured	Unsecured
Valuation/lien dates	January 1	January 1
Levy dates	October 1	July 1
Due Dates	November 1 (1 st installment) February 1 (2 nd installment)	July 1
Delinquent dates	Dec. 10 (1 st installment) April 10 (2 nd installment)	August 31

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the personal property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end.

The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan,” as prescribed in Section 4717 of the California Revenue and Taxation code. Under this method of apportionment, penalties and interest collected on delinquent secured taxes are required to be held in trust in the Tax Loss Reserve Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property.

The County has elected to follow the procedures authorized by Revenue and Taxation Code 4703.2 which requires that the tax losses reserve fund shall be maintained at not less than 25 percent of the local delinquent secured taxes and assessments for participating entities in the County as calculated at the end of the fiscal year. The net balance in the TLRF was \$585,104 at June 30, 2019. The County's management believes that any ownership rights to the TLRF the County may have are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County's Teeter Plan and accounted for in an agency fund.

Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditures and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, governmental fund report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources. Expenditure/expenses are classified as follows:

- Government Funds – By Character
 - Current (further classified by function)
 - Debt Service
 - Capital Outlay
- Proprietary Fund – By Operating and Nonoperating

Use of Estimates

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Gann Spending Limitation

Under Article XIII B of the California Constitution (the Gann spending Limitation), the County is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations,

the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. The allowed appropriations for the Gann Limit for the fiscal year ended June 30, 2019 were \$221,911,997. The appropriations subject to this limit were \$40,283,370, which is \$181,628,627 below the appropriations limit. Accordingly, the appropriations subject to this legal restriction were only 18.2% of the maximum allowed by law.

3. 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. The investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by California Government Code Section 53635 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 in the investment pool in accordance with Article 6, § 27131 of California Government Code. The oversight committee and the Board of Supervisors reviews and approves the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the type of investment in the pool, maturity dates, par value, actual cost and fair value.

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

At June 30, 2019, total County cash and investments were as follows:

<i>Cash:</i>	
Cash on hand	\$ 3,400
Bank deposits	14,196,682
Outstanding warrants	<u>(13,636,894)</u>
Total Cash	<u>563,188</u>
 <i>Investments:</i>	
Investment pool	243,353,919
External to investment pool	<u>7,310,371</u>
Total investments	<u>250,664,290</u>
 Total cash and investments	 <u><u>\$ 251,227,478</u></u>

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

Primary government	\$ 99,967,365
Investment trust fund	142,836,897
Private purpose trust funds	17,568
Agency fund	<u>8,405,648</u>
 Total	 <u><u>\$ 251,227,478</u></u>

Investments

The table below identifies the investment types that are authorized for the County by California Government Code Section 53635 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, credit risk, and concentration risk. The County annually adopts a “Statement of Investment Policy.” The policy is based on criteria established by government code and adds further restrictions as to the types of investments allowed, concentration limits and maximum terms.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment of One Issuer</u>
Federal Agency Obligations	5 years	None	None
U.S. Treasury Bills	5 years	None	None
Banker’s Acceptances	180 days	40%	30%
Commercial Paper	270 days, but dollar weighted average may not exceed 31 days	30%	15%
Negotiable Certificates of Deposit	5 years	30%	None
Non-Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund	N/A	None	\$65M
California Asset Management Program	N/A	None	None

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

	Interest Rates	Maturities	Par	Fair Value	Weighted Average Maturity (Years)
Primary Investment Pool					
Federal Agency Issues - Coupon	1.13% - 3.40%	10/30/19 - 1/29/2024	\$ 163,349,554	\$ 163,125,708	2.36
Medium Term Corporate Notes	2.1% - 3.63%	7/22/2020 - 11/29/2022	37,730,000	37,779,180	2.10
Local Agency Investment Fund (LAIF)	Variable	On Demand	13,341,707	13,341,707	-
California Asset Management Pool (CAMP)	Variable	On Demand	29,107,324	29,107,324	-
Total			<u>\$ 243,528,585</u>	<u>\$ 243,353,919</u>	2.23
Investments Outside Investment Pool					
Bank Accounts Held Outside the Treasury			\$ 4,950,020	\$ 4,845,415	-
Cash with Retirement Agencies			2,464,956	2,464,956	-
			<u>\$ 7,414,976</u>	<u>\$ 7,310,371</u>	

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. The County manages its exposure to declines in fair values by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities to provide the necessary cash flow and liquidity needed for operations. The County monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. State law 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 governmental agency securities.

Concentration of Credit Risk

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

	<u>Moody's</u>	<u>Standard & Poor's Rating</u>	<u>% of Portfolio</u>
Agency notes	Aaa	AA+	67.95%
Medium term notes	Aa2	A+	1.55%
Medium term notes	Aa2	AA-	0.41%
Medium term notes	Aa3	AA-	3.74%
Medium term notes	A1	A+	1.67%
Medium term notes	A2	A	4.15%
Medium term notes	A2	A-	4.16%
Local California	Unrated AAAm	Unrated Unrated	4.26% 12.11%
Total			<u>100.00%</u>

At June 30, 2019, the County has the following investments in any one issuer that represent 5% or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

	<u>Amount</u>	<u>% of Portfolio</u>
Federal Home Loan Mortgage Corp.	\$ 61,116,922	25.10%
Federal Home Loan Bank	43,240,418	17.76%
Federal Farm Credit Bank	31,993,714	13.14%
California Asset Management	29,107,324	11.95%
Federal National Mortgage Association	27,002,861	11.09%
Wells Fargo Bank Corporate Notes	15,994,257	6.57%

Custodial Credit Risk

For investments, 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 had no securities exposed to custodial credit risk.

Local Agency Investment Fund

The County’s investment pool maintains an investment in the State of California Local Agency Investment Fund (LAIF). LAIF is part of the Pooled Money Investment Account (PMIA), an investment pool consisting of funds held by the state in addition to those deposited with LAIF. All PMIA funds are managed by the Investment Division of the State Treasurer’s Office. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2019, the County’s investment position in the State of California Local Agency Investment Fund (LAIF) was \$13.3 million, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$105.7 billion. Of that amount, 1.77% was invested in structured notes and asset-backed securities with the remaining 98.23% invested in other non-derivative products.

County Investment Pool Condensed Financial Information

The following represents a condensed statement of net position and changes in net position for the County’s primary investment pool and bond investment pool as of June 30, 2019:

Statement of Net Position

Net position held for pool participants	<u>\$ 243,353,919</u>
Equity of internal pool participants	97,341,568
Equity of external pool participants	<u>146,012,351</u>
 Total net position	 <u>\$ 243,353,919</u>

Statement of Changes in Net Position

Net position at July 1, 2018	\$ 260,477,132
Net changes in investments by pool participants	<u>(17,123,213)</u>
 Net position at June 30, 2019	 <u>\$ 243,353,919</u>

Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The Pool has the following recurring fair value measurements as of June 30, 2019:

Investments	Amount	Fair Value Measurement Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Government agency obligations	\$ 163,125,708	\$ 163,125,708	\$ -	\$ -
Corporate and medium term notes	37,779,180	37,779,180	-	-
Local Agency Investment Fund (LAIF)	13,341,707	-	13,341,707	-
California Asset Management Pool (CAMP)	29,107,324	-	29,107,324	-
Total investments measured at fair value	<u>\$ 243,353,919</u>	<u>\$ 200,904,888</u>	<u>\$ 42,449,031</u>	<u>\$ -</u>

4. LOANS RECEIVABLE

Loans receivable at June 30, 2019 consisted of the following:

	General Fund	Mental Health Services Act	Other Governmental Funds	Total
Loan to City of Live Oak	\$ 23,853	\$ -	\$ -	\$ 23,853
Loan to City of Yuba City	177,638	-	-	177,638
Loan to Reclamation District #70	-	-	-	-
Loan to Sutter-Yuba Housing Authority	-	874,458	-	874,458
Economic Development loans	-	-	1,781,111	1,781,111
Total loans receivable	201,491	874,458	1,781,111	2,857,060
Less allowance for doubtful accounts	-	-	-	-
Loans receivables, net	<u>\$ 201,491</u>	<u>\$ 874,458</u>	<u>\$ 1,781,111</u>	<u>\$ 2,857,060</u>

5. CAPITAL ASSETS

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

	Balance, July 1, 2018	Additions/ Adjustments	Retirements	Transfers	Balance, June 30, 2019
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 3,034,972	\$ -	\$ -	\$ -	\$ 3,034,972
Construction in Progress	20,404,454	11,726,251	-	(1,928,626)	30,202,079
Total capital assets, not being depreciated	<u>23,439,426</u>	<u>11,726,251</u>	<u>-</u>	<u>(1,928,626)</u>	<u>33,237,051</u>
Capital assets, being depreciated					
Land improvements	-	-	-	38,574	38,574
Structures and improvements	49,229,896	-	-	-	49,229,896
Equipment	25,261,963	125,095	(237,733)	(10,846,972)	14,302,354
Vehicles	-	892,282	(816,140)	12,623,798	12,699,940
Infrastructure	101,691,710	-	-	-	101,691,710
Software	781,943	68,825	-	113,226	963,994
Total capital assets, being depreciated	<u>176,965,512</u>	<u>1,086,202</u>	<u>(1,053,872)</u>	<u>1,928,626</u>	<u>178,926,468</u>
Less accumulated depreciation for					
Land improvements	-	(2,572)	-	-	(2,572)
Structures and improvements	(21,075,175)	(924,818)	-	-	(21,999,993)
Equipment	(20,004,162)	(1,057,730)	237,544	9,876,308	(10,948,041)
Vehicles	-	(992,890)	810,887	(9,702,694)	(9,884,696)
Infrastructure	(69,835,645)	(2,801,342)	-	-	(72,636,987)
Software	(245,121)	(264,784)	-	(173,614)	(683,519)
Total accumulated depreciation	<u>(111,160,103)</u>	<u>(6,044,136)</u>	<u>1,048,431</u>	<u>-</u>	<u>(116,155,808)</u>
Total capital assets, being depreciated, net	<u>65,805,409</u>	<u>(4,957,934)</u>	<u>(5,441)</u>	<u>1,928,626</u>	<u>62,770,660</u>
Governmental activities, capital assets, net	<u>\$ 89,244,835</u>	<u>\$ 6,768,317</u>	<u>\$ (5,441)</u>	<u>\$ -</u>	<u>\$ 96,007,711</u>
Business-Type Activities					
Capital assets, not being depreciated					
Land	\$ 58,000	\$ -	\$ -	\$ -	\$ 58,000
Construction in progress	430,526	102,718	(430,526)	-	102,718
Total capital assets, not being depreciated	<u>488,526</u>	<u>102,718</u>	<u>(430,526)</u>	<u>-</u>	<u>160,718</u>
Capital assets, being depreciated					
Structures and Improvements	3,572,018	-	-	-	3,572,018
Equipment	17,826	-	-	-	17,826
Total capital assets, being depreciated	<u>3,589,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,589,844</u>
Less accumulated depreciation for					
Structures and improvements	(1,867,596)	(164,303)	-	-	(2,031,899)
Equipment	(17,826)	-	-	-	(17,826)
Total accumulated depreciation	<u>(1,885,422)</u>	<u>(164,303)</u>	<u>-</u>	<u>-</u>	<u>(2,049,725)</u>
Total capital assets, being depreciated, net	<u>1,704,422</u>	<u>(164,303)</u>	<u>-</u>	<u>-</u>	<u>1,540,118</u>
Business-type activities, capital assets, net	<u>\$ 2,192,948</u>	<u>\$ (61,585)</u>	<u>\$ (430,526)</u>	<u>\$ -</u>	<u>\$ 1,700,836</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 946,513
Public protection	914,252
Public ways and facilities	3,579,809
Health and sanitation	212,675
Public assistance	159,092
Education	28,405
Recreation and culture	22,957
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>183,444</u>
Total	<u>\$ 6,047,148</u>

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

Waterworks District No. 1	<u>\$ 164,303</u>
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Construction in Progress

Construction in progress related primarily to work performed on the various construction projects within the County including bridge and county jail expansion projects.

6. LEASE COMMITMENTS

Capital Leases

On February 27, 2014, the County entered into a capital lease agreement to finance the construction of solar panels. The equipment will become the property of the County when all terms of the lease agreement are met. The terms of the agreement are as follows:

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments as of June 30, 2019</u>
Governmental Activities:		
Solar panels	3.71%	\$ 7,128,562
Business-Type Activities		
Solar panels	3.71%	180,141

On October 1, 2013, the County entered into capital lease agreements for copiers under which the related equipment will become the property of the County when all terms of the lease agreement are met. The original amount of the lease agreement was \$394,159. The cost of equipment under the capital lease and the related

depreciation at June 30, 2019 are as follows:

	<u>Copiers</u>
Cost	\$ 394,159
Additions/Adjustments	(7,211)
Accumulated amortization	<u>(380,632)</u>
Net	<u>\$ 6,316</u>

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

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2020	\$ 735,874	\$ 41,803
2021	789,072	17,035
2022	821,022	17,752
2023	855,699	18,502
2024	891,948	19,286
2025-2029	<u>4,655,747</u>	<u>100,668</u>
Total future minimum lease payments	\$ 8,749,362	\$ 215,047
Less: Interest	<u>(1,614,484)</u>	<u>(34,906)</u>
Present value of minimum lease payments	<u>\$ 7,134,878</u>	<u>\$ 180,141</u>

7. LONG-TERM LIABILITIES

Long-term debt at June 30, 2019 consisted of the following:

	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2019
Governmental Activities						
Refinancing Lease Agreement - Health Building	2009	2020	4.50%	\$115,000 - \$195,313	\$ 1,730,000	\$ 195,313
Capital Leases						
Copiers	2013	2019	3.99%	\$5,762 - \$7,235	394,159	6,316
Solar panels - PNC	2014	2029	3.71%	\$330,514 - \$981,676	8,920,306	7,128,562
Total Governmental Activities					<u>\$ 11,044,465</u>	<u>\$ 7,330,191</u>
Business-Type Activities						
State Water Resources Control Board Loan	1998	2022	2.80%	\$5,506 - \$8,333	151,000	31,995
Capital Leases						
Solar panels - PNC	2014	2029	3.71%	\$9,000 - \$21,000	189,140	180,141
Total Business-Type Activities					<u>\$ 340,140</u>	<u>\$ 212,136</u>

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

	Balance July 1, 2018	Additions/ Adjustments	Retirements	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities					
Refinancing lease agreement	\$ 382,215	\$ -	\$ 186,902	\$ 195,313	\$ 195,313
Capital leases	7,585,182	1,671	451,975	7,134,878	470,637
Total Governmental Activities - Long-Term Liabilities	<u>\$ 7,967,397</u>	<u>\$ 1,671</u>	<u>\$ 638,877</u>	<u>\$ 7,330,191</u>	<u>\$ 665,950</u>
Business-Type Activities					
Loans payable	\$ 41,222	\$ -	\$ 9,227	\$ 31,995	\$ 7,670
Capital leases	189,140	-	8,999	180,141	36,070
Total Business-Type Activities - Long-Term Liabilities	<u>\$ 230,362</u>	<u>\$ -</u>	<u>\$ 18,226</u>	<u>\$ 212,136</u>	<u>\$ 43,740</u>

As of June 30, 2019, annual debt service requirements of governmental activities to maturity are as follows:

Year Ended June 30,	Governmental Activities	
	Refinancing Lease Agreement	
	Principal	Interest
2020	\$ 195,313	\$ 8,789
Total	<u>\$ 195,313</u>	<u>\$ 8,789</u>

Annual debt service requirements of business-type activities to maturity are as follows:

Year Ended June 30,	Business Activities	
	Loans Payable	
	Principal	Interest
2020	\$ 7,670	\$ 896
2021	7,885	681
2022	8,106	460
2023	<u>8,334</u>	<u>233</u>
Total	<u>\$ 31,995</u>	<u>\$ 2,270</u>

8. DEFERRED OUTFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities,” the County recognized deferred outflows of resources in the Government-wide and proprietary fund statements. These items are a consumption of net position by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

The County has two items that are reportable on the Government-wide Statement of Net Position. The first item relates to outflows from changes in net OPEB liability (Note 15). The second item relates to outflows from changes in net pension liability (Note 14). In addition, deferred outflows of resources that are reported in the proprietary funds are included in the Government-wide Statement of Net Position.

Deferred outflows of resources balances for the year ended June 30, 2019 were as follows:

	Governmental Activities	Business-Type Activities
Government-wide Deferred Outflows of Resources		
OPEB	\$ 726,924	\$ -
Pensions	27,155,576	4,014
Total Government-wide Deferred Outflows of	<u>\$ 27,882,500</u>	<u>\$ 4,014</u>

9. INTERFUND TRANSACTIONS

Due To/From Other Funds

Operating receivables and payables between funds are classified as due from or due to other funds. These interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) payments between funds are made. The following are due to and due from balances as of June 30, 2019:

Receivable	Payable	Amount
General Fund	Welfare	\$ 113,866
	Bi-County Behavioral Health	38,798
	Public Safety/Trial Courts	5,404,775
	Public Safety Realignment	128,857
	Nonmajor Governmental Funds	1,307,135
	Capital Projects	34
	Debt Service	27,749
	Internal Service Funds	151,916
	Total General Fund	7,173,129
Welfare	Welfare	6,124,896
	Bi-County Behavioral Health	1,138
	Public Safety Realignment	1,209,740
	Nonmajor Governmental Funds	-
	Capital Projects	54,722
	Total Welfare	7,390,495
Bi-County Behavioral Health	General Fund	22
	Welfare	18,235
	Bi-County Behavioral Health	8,500
	Mental Health Service Act	5,108,653
	Public Safety Realignment	2,492,491
	Nonmajor Governmental Funds	-
Total Bi-County Behavioral Health	7,627,902	
Public Safety/Trial Courts	General Fund	4,883
	Bi-County Behavioral Health	20,808
	Public Safety/Trial Courts	2,052,757
	Mental Health Service Act	196
	Public Safety Realignment	1,030,709
	Nonmajor Governmental Funds	7,551
Total Public Safety/Trial Courts	3,116,905	

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Mental Health Service Act	Bi-County Behavioral Health	2,145,988
	Total Mental Health Service Act	<u>2,145,988</u>
Public Safety Realignment	Bi-County Mental Health	893,483
	Public Safety Realignment	1,557,847
	Nonmajor Governmental Funds	<u>117</u>
	Total Public Safety Realignment	<u>2,451,446</u>
Nonmajor Governmental Funds	General Fund	921,020
	Welfare	50,234
	Bi-County Behavioral Health	306,098
	Public Safety/Trial Courts	7,331
	Mental Health Services Act	1,198
	Nonmajor Governmental Funds	373,571
	Nonmajor Enterprise Fund	15,065
	Internal Service Funds	<u>14,609</u>
	Total Nonmajor Governmental	<u>1,689,127</u>
Internal Service Funds	Public Safety/Trial Courts	2,767
	Nonmajor Governmental Funds	4,113
	Internal Service Funds	1,500
	Debt Service Fund	<u>14,014</u>
	Total Internal Service Funds	<u>22,394</u>
	Total	<u>\$ 31,617,386</u>

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans to address cash flow needs and are offset by a fund balance nonspendable account in applicable governmental funds to indicate they are not available for appropriations and are not expendable available financial resources. The following are advances to/from other funds as of June 30, 2019:

<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>	<u>Amount</u>
General Fund	Bi-County Behavioral Health	\$ 1,028,062
	Nonmajor Governmental Funds	<u>1,114,620</u>
		<u>2,142,682</u>
Mental Health Services Act	Bi-County Behavioral Health	<u>2,294,789</u>
		<u>\$ 4,437,471</u>

In 2002, the Board of Supervisors approved an advance of \$985,000 from the General Fund to County Service Area F to fund the construction costs of a new station. The loan has a variable interest rate that is based on the pooled treasury rate and has payments due August 1st of each year in the amount of \$50,550. To date, interest paid on the loan totals \$282,602 and principal paid totals \$525,588. As of June 30, 2019, the remaining balance due was \$459,412.

On June 30, 2009, the Board of Supervisors approved an advance of \$67,811 from the General Fund to the County Airport. The Board approved additional advances on December 7, 2010 and February 8, 2011 to bring the total advance to \$185,000. The outstanding balance at year-end is \$5,404.

In August of 2012, the Board of Supervisors agreed to a 30-year loan from the Health/Social Services Impact Fee fund, it then transferred to the General fund in 2017, in the amount of \$677,500 for half of the Counties share of the new Animal Control building to be repaid over a 30-year period from new animal control impact fees on new development. Interest is charged quarterly at a variable rate based on the pooled treasury rate. The loan was originally issued at \$607,841. To date no payments have been made on the advance. The balance at June 30, 2019 was \$649,804.

On June 30, 2015, the General Fund advanced the Bi-County Behavioral Health Fund \$973,705 to provide funding for the Chevron energy improvements project. The outstanding balance at year-end was \$1,028,062.

On March 26, 2010, the Mental Health Services Act Fund advances \$2,000,000 to Bi-County Behavioral Health to meet cash flow needs. Interest is charged at a variable rate based on the pooled treasury rate. To date no payments have been made on the advance. The balance at June 30, 2019 was \$2,294,789.

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies or various County operations and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2019:

Transfers From	Transfers To	Amount
General Fund	Welfare	\$ 421,066
	Nonmajor Governmental Funds	10,761,991
		<u>11,183,058</u>
Bi-County Behavioral Health	Bi-County Behavioral Health	1,212,425
	Public Safety/Trial Courts	64,244
	Public Safety Realignment	3,925
	Nonmajor Governmental Funds	495,032
		<u>1,775,626</u>
Welfare	Welfare	17,179,328
	Bi-County Behavioral Health	168,425
	Public Safety/Trial Courts	72,000
	Nonmajor Governmental	312,437
		<u>17,732,191</u>
Public Safety/Trial Court	General Fund	3,501,178
	Bi-County Behavioral Health	64,149
	Public Safety/Trial Court	12,360,150
	Nonmajor Governmental Funds	852,676
		<u>16,778,153</u>
Mental Health Service Act	Bi-County Behavioral Health	12,006,449
	Nonmajor Governmental Funds	1,198
		<u>12,007,647</u>
Public Safety Realignment	Bi-County Behavioral Health	18,014,949
	Welfare	9,821,752
	Public Safety/Trial Courts	5,813,637
	Public Safety Realignment	11,220,787
	Nonmajor Governmental Funds	452,591
		<u>45,323,716</u>
Nonmajor Governmental Funds	General Fund	932,195
	Nonmajor Governmental Funds	1,904,785
		<u>2,836,979</u>
	Total	<u>\$ 107,637,370</u>

10. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has Risk Management Funds (internal service funds) to account for and finance its uninsured risks of loss for general liability and workers' compensation. Under this program, the Risk Management Funds provide coverage for up to a maximum of \$100,000 for each general liability claim and up to \$300,000 for each workers' compensation claim. The County is a member of a joint powers agency (JPA) called Trindel Insurance Fund (Trindel). The County pays an annual premium to Trindel for excess liability insurance coverage and excess workers' compensation coverage.

All funds of the County participate in the program and make payments to the Risk Management Funds based on actuarial estimates of the amounts needed to pay prior and current year claims and premiums and to establish a reserve for future liability losses. The Board of Supervisors adopted a policy that the claims liability will be adjusted annually to not less than the 70% confidence level and not more than the 90% confidence level as determined by the actuary or actual, whichever is greater.

At June 30, 2019, the General Liability fund had a Net Position deficit of \$(306,429) and the Workers' Compensation fund had a Net Position deficit of \$(990,839). The claims liability of \$863,392 reported in the General Liability fund and claims liability of \$5,440,228 reported in the Workers' Compensation fund at fiscal year ended are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated.

The following represents the amount of the outstanding liabilities determined by the actuaries.

General Liability Fund – The change in the County's general liability claims reserve amount for fiscal year ending 2019 was as follows:

Fiscal Year Ending	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
June 30, 2019	\$497,566	\$732,804	\$366,978	\$863,392

Workers' Compensation Fund – The change in the County's workers' compensation claims reserve amount for fiscal year ending 2019 was as follows:

Fiscal Year Ending	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
June 30, 2019	\$2,466,379	\$3,613,215	\$639,366	\$5,440,228

11. DEFERRED INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”* and GASB Statement No. 65, *“Items Previously Reported as Assets and Liabilities,”* the County recognized deferred inflows or resources in the government-wide, governmental fund, and proprietary fund statements. These items are an acquisition of net position by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

The County has two items that are reportable on the Government-wide Statement of Net Position. The first item relates to inflows from changes in Other Post Employment Benefits (OPEB) (Note 15). The second item relates to inflows from changes in the net pension liability. Additionally, deferred inflows of resources that are reported in the proprietary funds are included in the Government-wide Statement of Net Position.

Deferred inflows of resources for the year ended June 30, 2019 were as follows:

	Governmental Activities	Business-Type Activities
Government-wide Deferred Inflows of Resources		
OPEB	\$ 507,434	\$ -
Pensions	6,781,469	595
Total Government-wide Deferred Inflows of Resources	<u>\$ 7,288,903</u>	<u>\$ 595</u>

12. FUND BALANCE CLASSIFICATIONS

Fund balance classifications for the governmental funds as of June 30, 2019 are presented below:

	General	Bi-County Behavioral Health	Welfare	Public Safety/ Trial Courts	Mental Health Services Act	Public Safety/ Realignment	Other Governmental	Total Governmental Funds
Nonspendable:								
Prepaid expenses	\$ 51,869	\$ 31,199	\$ 26,207	\$ 65,644	\$ -	\$ -	\$ 17,896	\$ 192,815
Inventory	-	-	-	-	-	-	23,624	23,624
Advances and loans receivables	2,344,173	-	-	-	2,294,789	-	-	4,638,962
Subtotal	2,396,042	31,199	26,207	65,644	2,294,789	-	41,520	4,855,401
Restricted for:								
Taxes and fees	-	-	-	-	-	-	2,550,916	2,550,916
General government	-	-	-	-	-	-	4,867,786	4,867,786
Public protection	-	-	-	4,693,738	-	14,242,894	146,273	19,082,905
Public ways & facilities	-	-	-	-	-	-	18,091,933	18,091,933
Health & social services	-	8,936,854	9,700,794	-	8,217,524	-	1,929,925	28,785,097
Other	2,518,080	-	-	-	-	-	47,057	2,565,137
Subtotal	2,518,080	8,936,854	9,700,794	4,693,738	8,217,524	14,242,894	27,633,890	75,943,774
Committed to:								
Capital Projects	1,227,789	-	-	-	-	-	4,424,192	5,651,981
Public protection	1,388,000	-	-	340,919	-	-	-	1,728,919
Public facilities	-	-	-	-	-	-	(1,172,913)	(1,172,913)
Health & social services	-	-	-	-	-	-	-	-
Pension & OPEB	387,090	-	-	-	-	-	-	387,090
Future vehicle purchase	-	-	-	-	-	-	-	-
Other	2,669,878	-	-	-	-	-	17,173	2,687,051
Subtotal	5,672,757	-	-	340,919	-	-	3,268,452	9,282,128
Assigned to:								
Health & social services	-	-	-	-	-	-	28,549	28,549
Other	471,623	-	-	-	-	-	-	471,623
Subtotal	471,623	-	-	-	-	-	28,549	500,172
Unassigned								
	9,761,783	-	-	-	-	-	-	9,761,783
Total	\$ 20,820,285	\$ 8,968,053	\$ 9,727,001	\$ 5,100,301	\$ 10,512,313	\$ 14,242,894	\$ 30,972,411	\$ 100,343,258

13. RESTRICTED COMPONENT OF NET POSITION – GOVERNMENT-WIDE

The restricted component of net position are assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

The restricted component of net position at June 30, 2019 for governmental activities is as follows:

Restricted for General Government:		
Taxes and fees	\$ 2,550,916	
General government	<u>5,824,056</u>	
		\$ 8,374,972
Restricted for Public Protection:		
Public Safety/Trial Courts	4,693,738	
Public Safety/Realignment	14,422,208	
Child Support Srvc Reimb/Adj	<u>146,273</u>	
		19,262,219
Restricted for Public Ways & Facilities:		
Road	11,021,589	
County Service Areas	1,982,747	
Water Agencies	2,387,396	
Other Special Districts	<u>2,702,523</u>	
		18,094,255
Restricted for Health & Social Services:		
Bi-County Mental Health	16,243,346	
Mental Health Services Act	8,217,524	
Sutter County Health	<u>1,929,925</u>	
		26,390,795
Restricted for Public Assistance:		
Welfare/Social Services	<u>11,000,633</u>	
		11,000,633
Restricted for Other Government Services:		
General	2,518,080	
Fish & Game	47,057	
Other: Deferred Revenue	<u>2,052,764</u>	
		4,617,901
Total restricted component of net position - governmental activities		<u>\$ 87,740,775</u>

14. EMPLOYEES' RETIREMENT PLAN

A. General Information about the Pensions Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the County's Safety or Miscellaneous Plans. The County's Safety Plan and the Miscellaneous Plan are both agent multiple-employer defined benefit pension plans. The County's Safety and Miscellaneous Plans are part of the California Public Employees Retirement System (PERS), a public employee retirement system which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and other requirements are established by State statute and County resolution. The County's defined benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. The County selects optional benefit provisions by contract with CalPERS and adopts those benefits through County ordinance. CalPERS issues a separate comprehensive annual financial report; however, separate reports for the County's Safety and Miscellaneous Plans are not available. Copies of CalPERS annual financial reports which include required supplementary information (RSI) for each plan may be obtained from CalPERS Executive Offices, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

Benefits Provided

All pension plans provide benefits, upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing five years of retirement service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within a prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Differences between expected and actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service related disability benefits are provided to safety members and are based on final compensation. Non-service related disability benefits are provided to both safety and miscellaneous members. The benefit is based on final compensation, multiplied by service, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service.

Death benefits are based upon a variety of factors including whether the participant was retired or not. Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans. COLAs are granted to retired members each May based upon the Bureau of Labor Statistics Average Consumer Price Index for All Urban Consumers for the previous calendar year and is subject to a maximum of 2% per annum.

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

	Miscellaneous		
	Prior to	On or after	On or after
Hire Date	Nov. 16, 2011	Nov. 16, 2011	Jan. 1, 2013
Benefit formula	2.7%@55	2%@60	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-63	52-67
Monthly benefits, as % of eligible	2.00%-2.70%	1.09%-2.42%	1.00%-2.50%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	28.57%	28.57%	28.57%
Status	Closed	Closed	Open

	Safety		
	Prior to	On or after	On or after
Hire Date	Nov. 16, 2011	Nov. 16, 2011	Jan. 1, 2013
Benefit formula	3@50	2%@50	2.7@57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50-55	50-55
Monthly benefits, as % of eligible	3.00%	2.00% - 2.70%	2.00% - 2.70%
Required employee contribution rates	9%	9%	12%
Required employer contribution rates	43.29%	43.29%	43.29%
Status	Closed	Closed	Open

Employees Covered

At June 30, 2018, the following employees were covered by the benefit terms for the Miscellaneous Plan and Safety Plan.

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	1,024	166
Inactive employees entitled to but not yet receiving benefits	811	102
Active employees	809	187
Total	2,644	455

Contributions

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

B. Net Pension Liability

The County’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans 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>	<u>Safety</u>
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	2.75%	2.75%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return ¹	7.15%	7.15%
Mortality	Derived using CalPERS' Membership Data for All Funds	

(1) Net of pension plan investment expenses; includes

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a January 2017 actuarial experience study for the period 1997 to 2007. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

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

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference. CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expense for GASB 67 and 68 calculations through at least the 2017-2018 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until there is a change in methodology.

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

The long-term expected rate of return includes both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class (a)	Assumed Asset 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%
	100.0%		

(a) In CalPERS' Comprehensive Annual Financial Report, 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 2.00% used for this period.

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

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the County’s Miscellaneous Plan and Safety Plan follows:

	Miscellaneous Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017 (MD)	\$ 376,363,637	\$ 263,913,402	\$ 112,450,235
Changes in the year:			
Service cost	8,296,160	-	8,296,160
Interest on total pension liability	26,370,436	-	26,370,436
Changes of assumptions	(2,891,060)	-	(2,891,060)
Differences between expected and actual experience	139,300	-	139,300
Net plan to plan resources movement	-	(655)	655
Contributions from the employer	-	11,138,700	(11,138,700)
Contributions from employees	-	3,461,729	(3,461,729)
Net Investment Income	-	22,611,818	(22,611,818)
Benefit payments, including refunds of employee contributions	(17,885,341)	(17,885,341)	-
Administrative expenses	-	(411,250)	411,250
Other Miscellaneous Income/(Expense)	-	(780,970)	780,970
 Net Changes	 14,029,495	 18,134,031	 (4,104,536)
Balance at June 30, 2018 (MD)	\$ 390,393,132	\$ 282,047,433	\$ 108,345,699
	Safety Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017 (MD)	\$ 128,572,635	\$ 90,842,659	\$ 37,729,976
Changes in the year:			
Service cost	3,095,372	-	3,095,372
Interest on total pension liability	8,916,900	-	8,916,900
Changes of assumptions	(742,338)	-	(742,338)
Differences between expected and actual experience	(1,864,269)	-	(1,864,269)
Net plan to plan resource movement	-	(227)	227
Contributions from the employer	-	3,970,392	(3,970,392)
Contributions from employees	-	1,255,295	(1,255,295)
Net Investment Income	-	7,773,766	(7,773,766)
Other adjustments	-	-	-
Benefit payments, including refunds of employee contributions	(5,603,664)	(5,603,664)	-
Administrative expenses	-	(141,558)	141,558
Other miscellaneous income/(expense)	-	(268,821)	268,821
 Net Changes	 3,802,001	 6,985,183	 (3,183,182)
Balance at June 30, 2018 (MD)	\$ 132,374,636	\$ 97,827,842	\$ 34,546,794

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

The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each 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:

Plan’s Net Pension Liability / (Asset)	1% Decrease	Current Discount	1% Increase
	6.15%	Rate 7.15%	8.15%
Miscellaneous Plan	\$ 158,987,330	\$ 108,345,699	\$ 66,292,643
Safety Plan	\$ 52,776,847	\$ 34,546,794	\$ 19,563,210

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2019, the County recognized pension expense of \$20,513,461. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 10,186,614	\$ (2,678,793)
Differences between expected and actual experience	92,867	(4,103,271)
Net differences between projected and actual earnings		
on pension plan investments	608,229	-
Adjustment due to differences in proportions	-	-
County contributions subsequent to the measurement date	16,271,881	-
Total	\$ 27,159,590	\$ (6,782,064)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement Period Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2019	\$ 8,380,268
2020	891,541
2021	(3,927,497)
2022	<u>(1,238,666)</u>
Total	<u>\$ 4,105,645</u>

15. OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description

The County of Sutter provides postemployment benefits and contributes to the miscellaneous plan of the County of Sutter and the safety plan of the County of Sutter (plans) which are part of the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental entities in the State of California. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office - 400 P Street, Sacramento, CA 95814. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Benefits Provided

The County provides medical, dental and vision insurance to retirees under an approved County ordinance. Employees that meet the following requirements are eligible for coverage under the County of Sutter Retiree Healthcare Plan: 1) the employee retires directly from the County under CalPERS; or 2) participates in the Tri County Schools Insurance Group (TCSIG) plan. The County has elected to contribute a percentage toward the cost of premiums for the retiree and spouse based on years of service.

The County contributes a monthly subsidy for retirees who participate in the medical plan offered by the County. The amounts are determined based on date of retirement.

- Employees who retire before 12/24/2005 receive a monthly amount of \$16, regardless of age.
- Employees who retire on or after 12/24/2005 receive a monthly amount of:
 - \$55 as of 1/1/2018 (before 1/1/2018, this amount was \$16 per month), if they are 65 or older, and
 - Prior to age 65, an amount based on years of County service, as shown in the chart below.

Years of Service	Monthly Subsidy
5-9	\$16
10-14	56
15-19	96
20-24	136
25-29	176
30+	216

- Subsidies end with the death of the retiree, though a surviving spouse may continue coverage by paying the full monthly premiums. In addition, if the retiree reaches age 65 prior to his or her covered spouse, the spouse may continue coverage until age 65 by paying the full monthly premium, even if the retiree discontinues coverage on the County's plan.

Employees Covered by Benefit Terms

At the OPEB liability measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	126
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	865
	991
	991

Contributions

The contribution requirements of the plan members and the County are established and may be amended by the County. The contribution is based on pay-as-you-go financing requirements. For fiscal year 2018/2019, the County contributed \$525,043, or 40.6%, of the actuarially required contributions to the Retiree Healthcare Plan.

Total OPEB Liability

At June 30, 2019, the County reported a total OPEB liability of \$14,854,554. The total OPEB liability was measured as of June 30, 2018 and determined by an actuarial valuation as of June 30, 2017.

Actuarial Methods and Assumptions

The total OPEB liability measured as of June 30, 2018 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate	3.25 % per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.
Assumed wage inflation	3.0% per year; used to determine amortization payments if developed on a level percent of pay basis.
General inflation rate	2.75% per year
Discount rates	2.98% on June 30, 2018 and 3.13% on June 30, 2017. Changes based on the published change in return for the applicable municipal bond index.
Healthcare trend	Medical plan premiums and claims costs by age are assumed to increase once each year.
Future retiree plan election	Depending on years of service with the County from less than 10 years-25% elect coverage to more than 30 years-100% elect coverage. It is assumed that 20% of future retirees are to continue coverage after age 65, regardless of their years of County service.

The actuarial “demographic” assumptions (i.e. rates of retirement, death, disability or other termination of

employment) used in the actuarial report were chosen, for the most part, to be the same as the actuarial demographic assumptions used for the most recent valuation of the retirement plans covering County employees. Other assumptions, such as age-related healthcare claims, healthcare trend, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or the actuarial’s best estimate of expected future experience.

Changes in the Total OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position and the net OPEB liability during the measurement period ending on June 30, 2018 for the County’s proportionate share.

For reporting at fiscal year end	June 30, 2018	June 30, 2019	Change
<i>Measurement date</i>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	During
			Period
OPEB Liability	\$ 13,782,843	\$ 14,854,554	\$ 1,071,711
<i>Deferred resource (outflows) inflows due to:</i>			
Assumption changes	584,086	305,553	(278,533)
Contributions made subsequent to the measurement date	<u>(499,306)</u>	<u>(525,043)</u>	<u>(25,737)</u>
Net deferred (outflows) inflows	<u>84,780</u>	<u>(219,490)</u>	<u>(304,270)</u>
Impact on Statement of Net Position	<u>\$ 13,867,623</u>	<u>\$ 14,635,064</u>	<u>\$ 767,441</u>

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

The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.98%) or one percentage point higher (3.98%) than the current discount rate:

	<u>Change in Discount Rate</u>		
	<u>Current - 1%</u> 1.98%	<u>Current</u> 2.98%	<u>Current + 1%</u> 3.98%
Total OPEB Liability	\$16,528,179	\$14,854,554	\$13,430,790
Increase (decrease)	\$1,673,625		\$(1,423,764)
% increase (decrease)	11.3%		-9.6%

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using the healthcare cost trend rate that is one percentage lower or one percentage point higher than the current trend rate:

	<u>Change in Healthcare Cost Trend Rate</u>		
	<u>Current - 1%</u>	<u>Current</u>	<u>Current + 1%</u>
Total OPEB Liability	\$12,789,842	\$14,854,554	\$18,658,970
Increase (decrease)	\$(2,064,712)		\$3,804,416
% increase (decrease)	-13.9%		25.6%

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2019, the County recognized OPEB expense of \$1,292,484. OPEB expense represents the change in the total OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. 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
Changes in assumptions	\$ 201,881	\$ (507,434)
Differences between expected and actual experience	-	-
Net difference between projected and actual earnings on retirement plan investments	-	-
County contributions subsequent to the measurement	525,043	-
	\$ 726,924	\$ (507,434)

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

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (inflows) of Resources
2020	\$ (50,158)
2021	(50,158)
2022	(50,158)
2023	(50,158)
2024	(50,158)
Thereafter	(54,763)

16. COMPENSATED ABSENCES

As of June 30, 2019, compensated absences were the following:

	Balance July 1, 2018	Additions/ Adjustments	Retirements	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities					
Compensated absences	6,499,393	5,868,362	6,198,263	6,169,491	5,758,278

Compensated absences typically have been liquidated by the General and Special Revenue Funds.

17. OTHER INFORMATION

A. Construction Commitments

At June 30, 2019, the County has commitments of approximately \$1,926,678 for construction contracts, awarded but not completed.

B. Contingent Liabilities

Grants

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

Other Claims

The County is subject to various lawsuits, inverse condemnation cases, personnel actions, disputes over tax assessments, and other actions incidental to the ordinary course of County operations. In the opinion of the County Counsel, the total potential claims against the County not covered by insurance resulting from litigation would not materially affect the financial statements of the County at June 30, 2019.

C. Joint Agencies

The CSAC Excess Insurance Authority is a joint powers authority organized to develop and fund excess insurance programs for member counties. The Authority operates public entity risk pools for workers' compensation, comprehensive liability, property, medical malpractice, and pool purchases excess insurance and services for members. The Authority is under the control and direction of a board of directors consisting of representatives of the fifty-member counties.

Completed audited financial statements for CSAC Excess Insurance Authority can be obtained from the Authority's office at 75 Iron Point Circle, Suite 200, Folsom, California 95630.

D. Fund Balances

For 2018-19, a consolidation of funds for financial reporting was implemented to reduce the number of separately presented funds within the comprehensive annual financial report. Several special revenue funds that were reported separately in fiscal year 2017-18 were combined with other funds in this year's report. As a result, beginning fund balances for certain funds will not match between the two financial reports.

18. SUBSEQUENT EVENTS

A. COVID-19 PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China, and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including California, have declared a state of emergency.

Potential impacts to our future tax revenues include disruptions or restrictions on our current employees' ability to work. Any of the foregoing could negatively impact our revenues and we currently can't anticipate all of the ways in which this health epidemics, COVID-19 could adversely impact our government agency. Although we are continuing to monitor and assess the effects of the COVID-19 pandemic on our government agency, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

19. FUND BALANCE RESTATEMENT

During fiscal year fiscal year 2018-19, it was discovered that cash was overstated by \$13,004,127 in the Statement of Fiduciary Net Position for the Private-Purpose Trust Funds. This cash has been reported in the financial statements with a corresponding increase in net position designated as held in trust. For years the County tracked deferred compensation amounts for its employees but no longer performs this function. Since the County does not have ownership of these funds, elimination of this activity from the financial statements is appropriate. For fiscal year 2017-18, the private purpose trust funds reported total cash of \$13,020,929 but is

now restated to \$16,802. Accordingly, overstatement amount has been excluded for fiscal year 2018-19 as cash is stated at \$17,568.



Required Supplementary Information



Schedule of Changes in Net Pension Liability and Related Ratios

Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

	Reporting Fiscal Year				
	Measurement Date				
	2019	2018	2017	2016	2015
	(2018)	(2017)	(2016)	(2015)	(2014)
Total Pension Liability					
Service cost	\$ 8,296,160	\$ 8,205,868	\$ 7,788,731	\$ 7,663,051	\$ 7,829,813
Interest on total pension liability	26,370,436	25,503,728	26,037,033	23,502,852	21,710,089
Changes of assumptions	(2,891,060)	20,548,597	-	(5,579,922)	-
Differences between expected and actual experience	139,300	(4,859,263)	594,644	(4,578,918)	-
Benefit payments, including refunds of employee contributions	(17,885,341)	(16,628,756)	(16,994,611)	(14,200,697)	(13,296,051)
Other differences	(1,293,181)	-	-	12,259,060	-
Net Change in total pension liability	12,736,314	32,770,174	17,425,797	19,065,426	16,243,851
Total pension liability - beginning	377,656,818	344,886,644	327,460,847	308,395,421	292,151,570
Total pension liability - ending (a)	390,393,132	377,656,818	344,886,644	327,460,847	308,395,421
Plan Fiduciary Net Position					
Contributions - employer	11,138,700	10,537,924	9,882,242	8,531,146	8,238,602
Contributions - employee	3,461,729	3,511,374	3,460,310	3,268,310	3,198,949
Net investment income	22,611,818	26,759,576	1,370,408	5,352,021	35,852,926
Changes in assumptions	-	-	-	-	(15,546,563)
Benefit payments, including refunds of employee contributions	(17,885,341)	(16,628,756)	(16,994,611)	(14,200,697)	(13,296,051)
Other differences	(1,588,890)	(4,976)	3,578,664	12,049,033	428,607
Administrative expenses	(411,250)	(356,165)	(155,561)	(274,515)	-
Net plan to plan resources movement	(655)	-	-	-	-
Adjustment for Courts	-	(99,688)	-	-	-
Net change in plan fiduciary net position	17,326,111	23,719,289	1,141,452	14,725,298	18,876,470
Plan fiduciary net position - beginning	264,721,322	241,002,033	239,860,581	225,135,283	206,258,813
Plan fiduciary net position - ending (b)	282,047,433	264,721,322	241,002,033	239,860,581	225,135,283
Net pension liability - ending (a) - (b)	\$ 108,345,699	\$ 112,935,496	\$ 103,884,611	\$ 87,600,266	\$ 83,260,138
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.25%	70.10%	69.88%	73.25%	73.00%
Covered Payroll	\$ 46,847,175	\$ 45,415,339	\$ 45,934,148	\$ 45,337,632	\$ 45,883,574
Plan Net Pension Liability(Asset) as a Percentage of Payroll	231.27%	248.67%	226.16%	193.22%	181.46%

Schedule of Pension Plan Contributions

Miscellaneous Plan

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 9,909,936	\$ 10,537,924	\$ 9,420,741	\$ 8,548,295	\$ 8,238,602
Contributions in relation to the actuarially determined contributions	(9,909,936)	(10,537,924)	(9,420,741)	(8,548,295)	(8,238,602)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 47,193,631	\$ 46,847,175	\$ 45,415,339	\$ 45,934,148	\$ 45,337,632
Contributions as a percentage of covered payroll	21.00%	22.49%	20.74%	18.61%	18.17%

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios as of the

Safety Plan - Agent Multiple-Employer Defined Benefit Pension Plan
 Last 10 Fiscal Years*

	Reporting Fiscal Year				
	Measurement Date				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total Pension Liability					
Service cost	\$ 3,095,372	\$ 3,136,101	\$ 2,720,184	\$ 2,878,691	\$ 2,913,157
Interest on total pension liability	8,916,900	8,647,227	8,268,025	7,994,762	7,636,180
Changes of assumptions	(742,338)	7,324,925	-	(1,998,906)	-
Differences between expected and actual experience	(1,864,269)	(629,979)	(2,485,971)	(1,437,908)	-
Benefit payments, including refunds of employee contributions	(5,603,664)	(5,165,757)	(4,893,514)	(4,578,828)	(4,229,813)
Net Change in total pension liability	3,802,001	13,312,517	3,608,724	2,857,811	6,319,524
Total pension liability - beginning	128,572,635	115,260,118	111,651,394	108,793,583	102,474,059
Total pension liability - ending (a)	132,374,636	128,572,635	115,260,118	111,651,394	108,793,583
Plan Fiduciary Net Position					
Contributions - employer	3,970,392	3,722,574	3,354,947	3,205,510	3,060,634
Contributions - employee	1,255,295	1,019,846	1,026,877	1,004,397	946,187
Net investment income	7,773,766	9,131,684	417,478	1,803,726	12,013,249
Benefit payments, including refunds of employee contributions	(5,603,664)	(5,165,757)	(4,893,514)	(4,578,828)	(4,229,813)
Administrative Expense	(141,558)	6,407	2,537	(92,691)	-
Net plan to plan resources movement	(227)	-	-	-	-
Other differences	(268,821)	(121,436)	(50,213)	-	-
Net change in plan fiduciary net position	6,985,183	8,593,318	(141,888)	1,342,114	11,790,257
Plan fiduciary net position - beginning	90,842,659	82,249,341	82,391,229	81,049,115	69,258,858
Plan fiduciary net position - ending (b)	97,827,842	90,842,659	82,249,341	82,391,229	81,049,115
Net pension liability - ending (a) - (b)	\$ 34,546,794	\$ 37,729,976	\$ 33,010,777	\$ 29,260,165	\$ 27,744,468
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.90%	70.65%	71.36%	73.79%	74.50%
Covered Payroll	\$ 11,197,562	\$ 10,751,719	\$ 11,191,554	\$ 10,930,351	\$ 11,017,797
Plan Net Pension Liability(Asset) as a Percentage of Payroll	308.52%	350.92%	294.96%	267.70%	251.82%

Schedule of Pension Plan Contributions

Safety Plan - Multiple-Employer Defined Benefit Pension Plan

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 6,361,945	\$ 3,722,574	\$ 3,354,947	\$ 3,205,510	\$ 3,060,634
Contributions in relation to the actuarially determined contributions	(6,361,945)	(3,722,574)	(3,354,947)	(3,205,510)	(3,060,634)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,198,333	\$ 11,197,562	\$ 10,751,719	\$ 11,191,554	\$ 10,930,351
Contributions as a percentage of covered payroll	56.81%	33.24%	31.20%	28.64%	28.00%

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Schedule of Changes in the County's Total OPEB Liability and Related Ratios

Service Cost	\$ 891,160
Interest	451,482
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	228,375
Benefit payment	<u>(499,306)</u>
Net change in total OPEB liability	1,071,711
Total OPEB liability - beginning	<u>13,782,843</u>
Total OPEB liability - ending (a)	<u>\$ 14,854,554</u>
Covered - employee payroll	\$ 56,781,386
OPEB liability as a percentage of covered - employee payroll	26.16%



**Governmental Funds – General and
Major Special Revenue**



COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 31,473,800	\$ 31,473,800	\$ 33,767,383	\$ 2,293,583
Licenses and permits	1,907,205	1,992,275	2,125,686	133,411
Fines, forfeits and penalties	71,450	71,450	82,182	10,732
Use of money and property	414,861	414,861	837,294	422,433
Intergovernmental	6,893,044	7,505,298	6,791,016	(714,282)
Charges for services	8,152,375	8,179,519	10,321,375	2,141,856
Miscellaneous revenue	12,618,819	12,696,656	1,235,744	(11,460,912)
Total Revenues	<u>61,531,554</u>	<u>62,333,859</u>	<u>55,160,680</u>	<u>(7,173,179)</u>
Expenditures:				
Current:				
General government	17,851,453	17,914,404	10,863,731	7,050,673
Public protection	35,652,440	36,453,843	28,727,542	7,726,301
Public way and facilities	200,000	200,000	176,420	23,580
Health and sanitation	7,942,199	7,942,199	6,294,839	1,647,360
Public assistance	621,900	621,900	705,089	(83,189)
Education	1,783,652	1,905,776	1,905,059	717
Recreation and culture	802,429	1,000,708	692,496	308,212
Capital outlay	1,691,601	1,984,503	741,787	1,242,716
Total Expenditures	<u>66,545,673</u>	<u>68,023,333</u>	<u>50,106,963</u>	<u>17,916,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,014,119)</u>	<u>(5,689,474)</u>	<u>5,053,717</u>	<u>10,743,191</u>
Other Financing Sources (Uses):				
Transfers in	5,191,208	6,908,097	4,433,373	(2,474,724)
Transfers out	(2,171,808)	(6,674,463)	(11,183,058)	(4,508,595)
Total Other Financing Sources (Uses)	<u>3,019,400</u>	<u>233,634</u>	<u>(6,749,685)</u>	<u>(6,983,319)</u>
Net Change in Fund Balances	(1,994,719)	(5,455,840)	(1,695,968)	3,759,872
Budgetary Fund Balances - Beginning of Year	<u>22,516,253</u>	<u>22,516,253</u>	<u>22,516,253</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 20,521,534</u>	<u>\$ 17,060,413</u>	<u>\$ 20,820,285</u>	<u>\$ 3,759,872</u>

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Bi-County Behavioral Health

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues:				
Fines, forfeits and penalties	\$ 5,000	\$ 5,000	\$ 10,322	\$ 5,322
Use of money and property	52,000	52,000	421,234	369,234
Intergovernmental	10,690,268	12,816,984	15,952,009	3,135,025
Charges for services	546,500	546,500	1,148,112	601,612
Other revenues	65,504	75,686	826,932	751,246
Total Revenues	11,359,272	13,496,170	18,358,609	4,862,439
Expenditures:				
Health and sanitation	38,203,065	43,718,365	43,632,526	85,839
Debt service: interest	-	-	52,975	(52,975)
Capital Outlay	111,450	121,932	111,488	10,444
Total Expenditures	38,314,515	43,840,297	43,796,989	43,308
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,955,243)	(30,344,127)	(25,438,380)	4,905,747
Other Financing Sources (Uses):				
Transfers in	27,002,690	28,589,369	31,466,397	2,877,028
Transfers out	(2,198,305)	(2,657,005)	(1,775,626)	881,379
Total Other Financing Sources (Uses)	24,804,385	25,932,364	29,690,771	3,758,407
Net Change in Fund Balances	(2,150,858)	(4,411,763)	4,252,391	8,664,154
Fund Balances - Beginning of Year	4,715,662	4,715,662	4,715,662	-
Fund Balances - End of Year	\$ 2,564,804	\$ 303,899	\$ 8,968,053	\$ 8,664,154

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Welfare

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 1,400	\$ 1,400	\$ 1,136	\$ (264)
Use of money and property	15,001	15,001	341,947	326,946
Intergovernmental	42,887,667	42,279,187	37,639,824	(4,639,363)
Charges for services	18,500	18,500	1,184,839	1,166,339
Other revenues	17,000	17,000	102,625	85,625
Total Revenues	42,939,568	42,331,088	39,270,371	(3,060,717)
Expenditures:				
Current:				
Public assistance	60,575,360	61,351,440	48,045,124	13,306,316
Capital outlay	66,000	66,000	58,861	7,139
Total Expenditures	60,641,360	61,417,440	48,103,985	13,313,455
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,701,792)	(19,086,352)	(8,833,614)	10,252,738
Other Financing Sources (Uses):				
Transfers in	9,281,732	10,478,687	27,403,530	16,924,843
Transfers out	(9,962,592)	(10,976,392)	(17,732,191)	(6,755,799)
Total Other Financing Sources (Uses)	(680,860)	(497,705)	9,671,339	10,169,044
Net Change in Fund Balances	(18,382,652)	(19,584,057)	837,725	20,421,782
Fund Balances - Beginning of Year	8,889,276	8,889,276	8,889,276	-
Fund Balances - End of Year	\$ (9,493,376)	\$ (10,694,781)	\$ 9,727,001	\$ 20,421,782

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Safety/Trial Courts

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 16,813	\$ 16,813	\$ 14,709	\$ (2,104)
Licenses and permits	13,000	13,000	21,950	8,950
Fines, forfeitures and penalties	712,962	712,962	970,620	257,658
Use of money and property	87,473	87,473	225,583	138,110
Intergovernmental	12,723,664	13,368,200	12,368,549	(999,651)
Charges for services	29,205,909	29,223,509	24,474,461	(4,749,048)
Other revenues	244,250	371,750	730,577	358,827
Total Revenues	<u>43,004,071</u>	<u>43,793,707</u>	<u>38,806,449</u>	<u>(4,987,258)</u>
Expenditures:				
Current:				
Public protection	44,862,525	45,691,264	38,202,467	7,488,797
Health and sanitation	-	-	-	-
Capital outlay	426,800	1,051,997	914,976	137,021
Total Expenditures	<u>45,289,325</u>	<u>46,743,261</u>	<u>39,117,443</u>	<u>7,625,818</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,285,254)</u>	<u>(2,949,554)</u>	<u>(310,994)</u>	<u>2,638,560</u>
Other Financing Sources (Uses):				
Transfers in	15,819,722	16,727,089	18,310,032	1,582,943
Transfers out	(10,973,613)	(12,834,294)	(16,778,153)	(3,943,859)
Total Other Financing Sources (Uses)	<u>4,846,109</u>	<u>3,892,795</u>	<u>1,531,879</u>	<u>(2,360,916)</u>
Net Change in Fund Balances	2,560,855	943,241	1,220,885	277,644
Fund Balances - Beginning of Year	<u>3,879,416</u>	<u>3,879,416</u>	<u>3,879,416</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 6,440,271</u>	<u>\$ 4,822,657</u>	<u>\$ 5,100,301</u>	<u>\$ 277,644</u>

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Mental Health Services Act

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 165,000	\$ 165,000	\$ 336,464	\$ 171,464
Intergovernmental	8,000,000	8,000,000	8,190,999	190,999
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	8,165,000	8,165,000	8,527,463	362,463
Expenditures:				
Current:				
Health and sanitation	2,000	7,000	14,763	(7,763)
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	2,000	7,000	14,763	(7,763)
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,163,000	8,158,000	8,512,700	354,700
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(12,733,677)	(12,733,677)	(12,007,647)	12,733,677
Total Other Financing Sources (Uses)	(12,733,677)	(12,733,677)	(12,007,647)	12,733,677
Net Change in Fund Balances	(4,570,677)	(4,575,677)	(3,494,947)	13,088,377
Fund Balances - Beginning of Year	14,007,260	14,007,260	14,007,260	-
Fund Balances - End of Year	\$ 9,436,583	\$ 9,431,583	\$ 10,512,313	\$ 13,088,377

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Safety Realignment

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines, forfeitures and penalties	\$ -	\$ -	\$ -	\$ -
Use of money and property	105,000	105,000	515,504	410,504
Intergovernmental	28,463,498	28,922,321	32,351,919	3,429,598
Charges for services	1,468,122	1,473,650	1,437,310	(36,340)
Other revenues	-	-	116	116
Total Revenues	30,036,620	30,500,971	34,304,849	3,803,878
Expenditures:				
Current:				
Public protection	18,905,232	18,905,232	120,410	18,784,822
Interest	-	-	-	-
Total Expenditures	18,905,232	18,905,232	120,410	18,784,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,131,388	11,595,739	34,184,439	22,588,700
Other Financing Sources (Uses):				
Transfers in	3,597,831	3,658,304	11,224,712	7,566,408
Transfers out	(22,344,226)	(24,425,650)	(45,323,716)	(20,898,066)
Total Other Financing Sources (Uses)	(18,746,395)	(20,767,346)	(34,099,004)	(13,331,658)
Net Change in Fund Balances	(7,615,007)	(9,171,607)	85,435	9,257,042
Fund Balances - Beginning of Year	14,157,459	14,157,459	14,157,459	-
Fund Balances - End of Year	\$ 6,542,452	\$ 4,985,852	\$ 14,242,894	\$ 9,257,042

BUDGETARY BASIS OF ACCOUNTING

The County follows these procedures annually in establishing the budgetary data reflected in the financial statements:

1. The County Administrative Officer submits to the Board of Supervisors a proposed draft budget for the fiscal year commencing on the following July 1. The budget includes proposed expenditures and the means of financing them.
2. The Board of Supervisors reviews the proposed budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the proposed budget to obtain comments from interested persons.
3. Prior to July 1, the budget is adopted through the passage of a resolution.
4. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as proposed expenditures become appropriations to the various County departments. The Board of Supervisors may amend the budget by motion during the fiscal year.

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for all governmental funds except for debt service funds, the expenditures of which are controlled by provisions of debt agreements. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Encumbrances outstanding at year end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

Nonmajor governmental funds are funds that do not meet the definition of a major fund, as described in the glossary. The following funds are presented as nonmajor funds in the CAFR:

Special Revenue Funds

Special Revenue Funds are established to finance particular governmental activities and are financed by specific taxes or other revenues. Such funds are authorized by statutory provisions to pay for certain activities of a continuing nature. Included in the Special Revenue classification are the following funds:

Road

Accounts for financing the construction and maintenance of Sutter County's unincorporated area road systems through planning; environmental analysis; traffic engineering and design; operations; traffic signals, street lights, signs and markings, right-of-way acquisitions; safety related improvements; and radar/speed control.

Special Aviation

This fund is used to account for federal airport and other revenues and expenditures for the provision of capital improvements and equipment maintenance at the Sutter County Airport.

Fish & Game

This fund is used to account for fines and forfeitures received under Section 13003 of the Fish and Game Code and their expenditure for the propagation and conservation of fish and wildlife.

Sutter County Health

Accounts for the range of services provided that are designed to protect and enhance the well-being of the community and needs related to mental health and substance abuse problems. Revenue sources are primarily sales tax revenue and state grants.

Clerk Recorder Funds

Accounts for the various activities of the clerk-recorder such as the County Recorder Upgrade Fee imposed for instruments recorded by the County to support, maintain and improve the County's recording system; provides for repository of official and vital records for the County and files or records a variety of documents, maintains a record of those documents for posterity, and makes certified copies available to the public; and records the revenue for the various candidates running for elections within the County.

Child Support Services

Accounts for the child support services activities within the County.

Economic Development

Economic development activities support infrastructure development, economic and workforce development projects, housing development and rehabilitation, and public.

County Fees and Taxes

The fund is used to collect development impact fees and certain property taxes.

Court Activities

Accounts for court activities such as for the Automated County Warrants Fund, established pursuant to Vehicle Code Section 40508.5, which is used to account for fees imposed if a defendant fails to appear or to comply with any valid court order pursuant to this code. The funds are used for the development and operation of an automated county warrant system. Also included is the Office of Revenue Collections fund which is used to account for the 10% rebate on restitution fine and order monies remitted to the Victim Compensation and Government Claims Board (VCGCB) pursuant to Government Code Section 13966.01. The objective of the rebate is to enhance collection efforts and is intended to create an incentive for the County to aggressively pursue the collection of restitution monies to be utilized to assist other victims of crime.

County Service Areas

The County Service Areas Fund is used to account for the street lighting, public protection, health and sanitation, recreation and culture, public ways, and water utilities services provided by county service area districts in the unincorporated areas of the County.

Water Agencies

The Water Agencies Fund prepares investigations and reports on the County's water requirements, project development, and efficient use of water. The agency provides technical assistance to other County departments, water districts, and the public concerning water availability and water well locations and design.

Other Special Districts

The funds here are community assessment districts which provide canal and lighting maintenance to some communities within the county.

Debt Service

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt.

Capital Projects

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

Permanent fund

The Live Oak Library Endowment Fund is used to account for a donation received from the Live Oak Women's. The funds were received with the condition that the principal would stay intact and the interest would be used to improve collections and services for the Barber Branch Library in Live Oak.

COUNTY OF SUTTER
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue		
	Road	Special Aviation	Fish & Game
Assets			
Cash and investments	\$ 11,546,711	\$ 59,182	\$ 46,953
Accounts receivable	-	-	-
Due from other governments	536,079	-	131
Interest receivable	58,561	326	239
Taxes receivable	-	-	-
Due from other funds	106	-	-
Prepaid Expenses	2,999	-	-
Inventory	23,624	-	-
Loans receivable	-	-	-
less allowance for doubtful accounts	-	-	-
Total Assets	\$ 12,168,080	\$ 59,508	\$ 47,323
Liabilities			
Accounts payable	\$ 773,607	\$ 45	\$ 265
Salaries and benefits payable	45,756	-	-
Deposits payable	138,822	-	-
Due to other funds	11,911	-	-
Advances from other funds	-	5,404	-
Unearned revenue	55,311	-	-
Total Liabilities	1,025,407	5,449	265
Deferred Inflows of Resources			
Unavailable revenue	94,461	-	-
Fund Balance			
Nonspendable	26,623	-	-
Restricted	11,021,589	-	47,058
Committed	-	54,059	-
Unassigned	-	-	-
Total Fund Balances	11,048,212	54,059	47,058
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,168,080	\$ 59,508	\$ 47,323

COUNTY OF SUTTER
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue		
	Sutter County Health	Clerk-Recorder Funds	Child Support Services Reimbursement/ Adjustment
Assets			
Cash and investments	\$ 2,138,882	\$ 1,650,834	\$ 197,980
Accounts receivable	7,857	6,869	-
Due from other governments	1,610,119	-	-
less allowance for doubtful accounts	-	-	-
Interest receivable	11,170	8,085	2,133
Taxes receivable	-	-	-
Due from other funds	1,266,977	-	-
Prepaid Expenses	14,897	-	-
Inventory	-	-	-
Loans receivable	500	-	-
less allowance for doubtful accounts	-	-	-
Total Assets	\$ 5,050,402	\$ 1,665,788	\$ 200,113
Liabilities			
Accounts payable	\$ 150,500	\$ 187,516	\$ 6,899
Salaries and benefits payable	129,892	-	46,421
Deposits payable	-	-	-
Due to other funds	1,508,221	162,332	651
Advances from other funds	-	-	-
Unearned revenue	-	-	-
Total Liabilities	1,788,613	349,848	53,971
Deferred Inflows of Resources			
Unavailable revenue	1,288,416	-	-
Fund Balance			
Nonspendable	14,897	-	-
Restricted	1,929,927	1,315,940	146,142
Committed	-	-	-
Assigned	28,549	-	-
Unassigned	-	-	-
Total Fund Balances	1,973,373	1,315,940	146,142
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,050,402	\$ 1,665,788	\$ 200,113

continued

COUNTY OF SUTTER
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue		
	Economic Development	County Fees and Taxes	Court Activities
Assets			
Cash and investments	\$ 1,330,822	\$ 3,248,463	\$ 579,709
Accounts receivable	-	-	-
Due from other governments	-	-	5,355
Interest receivable	6,830	22,435	3,129
Taxes receivable	-	-	-
Due from other funds	-	12,799	-
Prepaid Expenses	-	-	-
Inventory	-	-	-
Loans receivable	1,780,611	-	-
less allowance for doubtful accounts	-	-	-
Total Assets	\$ 3,118,263	\$ 3,283,697	\$ 588,193
Liabilities			
Accounts payable	\$ 1,090	\$ 82,977	\$ 15,077
Salaries and benefits payable	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	7,578
Advances from other funds	-	649,804	-
Unearned revenue	-	-	133,057
Total Liabilities	1,090	732,781	155,712
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Fund Balance			
Nonspendable	-	-	-
Restricted	3,117,173	2,550,916	432,481
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	3,117,173	2,550,916	432,481
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,118,263	\$ 3,283,697	\$ 588,193

COUNTY OF SUTTER

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2019

	Special Revenue			
	County Service Areas	Water Agencies	Other Special Districts	Total Special Revenue
Assets				
Cash and investments	\$ 2,523,907	\$ 2,377,269	\$ 2,700,398	\$ 28,401,110
Cash with fiscal agent	-	-	-	-
Accounts receivable	735	-	3,796	19,257
Due from other governments	2,629	-	-	2,154,313
Interest receivable	15,909	12,443	13,935	155,195
Taxes receivable	7	195	-	202
Due from other funds	-	-	-	1,279,882
Prepaid Expenses	-	-	-	17,896
Inventory	-	-	-	23,624
Loans receivable	-	-	-	1,781,111
less allowance for doubtful accounts	-	-	-	-
Total Assets	\$ 2,543,187	\$ 2,389,907	\$ 2,718,129	\$ 33,832,590
Liabilities				
Accounts payable	\$ 67,189	\$ 715	\$ 6,221	\$ 1,292,101
Salaries and benefits payable	33,839	-	-	255,908
Deposits payable	-	-	80	138,902
Due to other funds	-	1,796	-	1,692,489
Advances from other funds	459,412	-	-	1,114,620
Unearned revenue	-	-	220	188,588
Total Liabilities	560,440	2,511	6,521	4,682,608
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	1,382,877
Fund Balance				
Nonspendable	-	-	-	41,520
Restricted	1,982,747	2,387,396	2,702,522	27,633,891
Committed	-	-	9,086	63,145
Assigned	-	-	-	28,549
Unassigned	-	-	-	-
Total Fund Balances	1,982,747	2,387,396	2,711,608	27,767,105
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,543,187	\$ 2,389,907	\$ 2,718,129	\$ 33,832,590

continued

COUNTY OF SUTTER

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2019

	Debt Service	Capital Projects	Permanent Funds	
	General Debt Service	Capital Projects	Live Oak Library Endowment	Total
Assets				
Cash and investments	\$ -	\$ 4,328,680	\$ -	\$ 32,729,790
Cash with fiscal agent	-	-	-	-
Accounts receivable	796	-	-	20,053
Due from other governments	-	669,887	-	2,824,200
less allowance for doubtful accounts	-	-	-	-
Interest receivable	6	20,617	-	175,818
Taxes receivable	-	-	-	202
Due from other funds	58,857	350,388	-	1,689,127
Prepaid Expenses	-	-	-	17,896
Inventory	-	-	-	23,624
Loans receivable	-	-	-	1,781,111
less allowance for doubtful accounts	-	-	-	-
Total Assets	\$ 59,659	\$ 5,369,572	\$ -	\$ 39,261,821
Liabilities				
Accounts payable	\$ 724	\$ 1,456,797	\$ -	\$ 2,749,622
Salaries and benefits payable	-	-	-	255,908
Deposits payable	-	-	-	138,902
Due to other funds	41,762	54,755	-	1,789,006
Advances from other funds	-	-	-	1,114,620
Unearned revenue	-	-	-	188,588
Total Liabilities	42,486	1,511,552	-	6,236,646
Deferred Inflows of Resources				
Unavailable revenue	-	669,887	-	2,052,764
Fund Balance				
Nonspendable	-	-	-	41,520
Restricted	-	-	-	27,633,891
Committed	17,173	3,188,133	-	3,268,451
Assigned	-	-	-	28,549
Unassigned	-	-	-	-
Total Fund Balances	17,173	3,188,133	--	30,972,411
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 59,659	\$ 5,369,572	\$ -	\$ 39,261,821

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue		
	Road	Special Aviation	Fish & Game
Revenues:			
Taxes	\$ 1,224,886	\$ 10,509	\$ --
Licenses and permits	45,745	--	--
Fines and forfeitures	--	--	1,611
Use of money and property	365,592	19,611	1,554
Intergovernmental	6,958,986	10,000	--
Charges for services	216,845	--	--
Other revenues	101,857	--	--
Total Revenues	8,913,911	40,120	3,165
Expenditures:			
Current:			
General government	--	--	--
Public protection	1,794	--	1,508
Public ways and facilities	7,576,002	58,791	--
Health and sanitation	--	--	--
Public assistance	--	--	--
Education	--	--	--
Recreation and cultural	--	--	--
Debt service			
Principal	--	--	--
Interest	--	--	--
Capital outlay	420,639	--	--
Total Expenditures	7,998,435	58,791	1,508
Excess (Deficiency) of Revenues Over (Under) Expenditures	915,476	(18,671)	1,657
Other Financing Sources (Uses):			
Inception of capital lease	--	--	--
Transfers in	--	--	--
Transfers out	(19,243)	--	--
Total Other Financing Sources (Uses)	(19,243)	--	--
Net Change in Fund Balances	896,233	(18,671)	1,657
Fund Balances - Beginning of Year, restated	10,151,979	72,730	45,401
Fund Balances - End of Year	\$ 11,048,212	\$ 54,059	\$ 47,058

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (continued)

Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue		
	Sutter County Health	Clerk-Recorder Funds	Child Support Services Reimbursement/ Adjustment
Revenues:			
Taxes	\$ --	\$ --	\$ --
Licenses and permits	--	--	--
Fines and forfeitures	113,055	--	--
Use of money and property	52,354	47,551	11,889
Intergovernmental	3,248,755	--	2,540,942
Charges for services	2,328,896	260,061	--
Other revenues	1,037	--	77
Total Revenues	5,744,097	307,612	2,552,908
Expenditures:			
Current:			
General government	--	151,063	--
Public protection	--	32,024	2,535,958
Public ways and facilities	--	--	--
Health and sanitation	12,070,632	--	--
Public assistance	--	--	--
Education	--	--	--
Recreation and cultural	--	--	--
Debt service			
Principal	186,902	--	--
Interest	8,600	--	--
Capital outlay	7,615	--	--
Total Expenditures	12,273,749	183,087	2,535,958
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,529,652)	124,525	16,950
Other Financing Sources (Uses):			
Transfers in	7,573,024	--	--
Transfers out	(630,639)	--	(7,746)
Total Other Financing Sources (Uses)	6,942,385	--	(7,746)
Net Change in Fund Balances	412,733	124,525	9,204
Fund Balances - Beginning of Year, restated	1,560,640	1,191,415	136,938
Fund Balances - End of Year	\$ 1,973,373	\$ 1,315,940	\$ 146,142

continued

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue		
	Economic Development	County Fees and Taxes	Court Activities
Revenues:			
Taxes	\$ --	\$ --	\$ --
Licenses and permits	--	453,016	--
Fines and forfeitures	--	--	18,731
Use of money and property	108,603	124,432	18,955
Intergovernmental	--	1,644,633	--
Charges for services	205,792	--	19,003
Other revenues	1,334,730	--	--
Total Revenues	<u>1,649,125</u>	<u>2,222,081</u>	<u>56,689</u>
Expenditures:			
Current:			
General government	264,282	1,228	338
Public protection	--	161,953	477
Public ways and facilities	--	105,820	--
Health and sanitation	--	554	--
Public assistance	5,262	--	--
Education	--	257	--
Recreation and cultural	--	1,809	--
Debt service			
Principal	--	--	--
Interest	--	12,222	--
Capital outlay	--	--	--
Total Expenditures	<u>269,544</u>	<u>283,843</u>	<u>815</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,379,581</u>	<u>1,938,238</u>	<u>55,874</u>
Other Financing Sources (Uses):			
Transfers in	--	12,799	--
Transfers out	--	(2,063,850)	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>(2,051,051)</u>	<u>--</u>
Net Change in Fund Balances	1,379,581	(112,813)	55,874
Fund Balances - Beginning of Year, restated	<u>1,737,592</u>	<u>2,663,729</u>	<u>376,607</u>
Fund Balances - End of Year	<u>\$ 3,117,173</u>	<u>\$ 2,550,916</u>	<u>\$ 432,481</u>

continued

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (continued)

Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue		
	County Service Area	Water Agencies	Other Special Districts
Revenues:			
Taxes	\$ 3,104,718	\$ 170,766	\$ 214,436
Licenses and permits	4,767	--	4,625
Fines and forfeitures	--	--	526
Use of money and property	83,144	82,238	88,738
Intergovernmental	52,614	5,599	828
Charges for services	978,134	2,203	14,638
Other revenues	11,337	--	10,750
Total Revenues	4,234,714	260,806	334,541
Expenditures:			
Current:			
General government	--	--	417
Public protection	3,757,501	--	9,462
Public ways and facilities	--	239,330	124,175
Health and sanitation	--	--	--
Public assistance	--	--	--
Education	--	--	--
Recreation and cultural	--	--	2
Debt service			
Principal	--	--	--
Interest	7,446	--	--
Capital outlay	204,801	--	--
Total Expenditures	3,969,748	239,330	134,056
Excess (Deficiency) of Revenues Over (Under) Expenditures	264,966	21,476	200,485
Other Financing Sources (Uses):			
Inception of capital lease	--	--	--
Transfers in	224,649	--	--
Transfers out	(24,158)	--	--
Total Other Financing Sources (Uses)	200,491	--	--
Net Change in Fund Balances	465,457	21,476	200,485
Fund Balances - Beginning of Year, restated	1,517,290	2,365,920	2,511,123
Fund Balances - End of Year	\$ 1,982,747	\$ 2,387,396	\$ 2,711,608

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Debt Service	Capital Projects	Permanent Funds	
	General Debt Service	Capital Projects	Live Oak Library Endowment	Total
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ 4,725,315
Licenses and permits	--	--	--	508,153
Fines and forfeitures	--	--	--	133,923
Use of money and property	--	175,421	--	1,180,082
Intergovernmental	366	2,260,120	--	16,722,843
Charges for services	--	--	--	4,025,573
Other revenues	--	--	138	1,459,926
Total Revenues	<u>366</u>	<u>2,435,541</u>	<u>138</u>	<u>28,755,815</u>
Expenditures:				
Current:				
General government	36,550	8,553,082	--	9,006,960
Public protection	--	--	--	6,500,678
Public ways and facilities	--	--	--	8,104,118
Health and sanitation	--	--	--	12,071,186
Public assistance	--	--	--	5,262
Education	--	--	--	257
Recreation and cultural	--	--	--	1,811
Debt service				
Principal	437,597	--	--	624,499
Interest	275,101	--	--	303,369
Capital outlay	--	1,811,583	--	2,444,638
Total Expenditures	<u>749,248</u>	<u>10,364,665</u>	<u>--</u>	<u>39,062,778</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(748,882)</u>	<u>(7,929,124)</u>	<u>138</u>	<u>(10,306,963)</u>
Other Financing Sources (Uses):				
Transfers in	785,145	6,203,709	--	14,799,326
Transfers out	--	(91,343)	--	(2,836,979)
Total Other Financing Sources (Uses)	<u>785,145</u>	<u>6,112,366</u>	<u>--</u>	<u>11,962,347</u>
Net Change in Fund Balances	36,263	(1,816,758)	138	1,655,384
Fund Balances - Beginning of Year	<u>(19,090)</u>	<u>5,004,891</u>	<u>(138)</u>	<u>29,317,027</u>
Fund Balances - End of Year	<u>\$ 17,173</u>	<u>\$ 3,188,133</u>	<u>\$ --</u>	<u>\$ 30,972,411</u>

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Road

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,198,321	\$ 1,198,321	\$ 1,224,886	\$ 26,565
Licenses and permits	37,850	37,850	45,745	7,895
Fines and forfeitures	-	-	-	-
Use of money and property	100,650	100,800	365,592	264,792
Intergovernmental	9,422,684	9,668,174	6,958,986	(2,709,188)
Charges for services	10,100	10,100	216,845	206,745
Other revenue	600	70,600	101,857	31,257
Total Revenues	<u>10,770,205</u>	<u>11,085,845</u>	<u>8,913,911</u>	<u>(2,171,934)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	2,000	2,000	1,794	206
Public way and facilities	12,581,210	16,963,675	7,576,002	9,387,673
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	488,000	621,862	420,639	201,223
Total Expenditures	<u>13,071,210</u>	<u>17,587,537</u>	<u>7,998,435</u>	<u>9,589,102</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,301,005)</u>	<u>(6,501,692)</u>	<u>915,476</u>	<u>(11,761,036)</u>
Other Financing Sources (Uses):				
Transfers in	116,281	116,281	-	(116,281)
Transfers out	(30,654)	(30,654)	(19,243)	11,411
Total Other Financing Sources (Uses)	<u>85,627</u>	<u>85,627</u>	<u>(19,243)</u>	<u>(104,870)</u>
Net Change in Fund Balances	(2,215,378)	(6,416,065)	896,233	(11,865,906)
Budgetary Fund Balances - Beginning of Year	<u>10,151,979</u>	<u>10,151,979</u>	<u>10,151,979</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 7,936,601</u>	<u>\$ 3,735,913</u>	<u>\$ 11,048,212</u>	<u>\$ (11,865,906)</u>

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Sutter County Health

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	80,130	80,130	113,055	32,925
Use of money and property	13,557	15,432	52,354	36,922
Intergovernmental	3,852,677	3,852,677	3,248,755	(603,922)
Charges for services	165,439	166,802	2,328,896	2,162,094
Other revenue	-	-	1,037	1,037
Total Revenues	<u>4,111,803</u>	<u>4,115,041</u>	<u>5,744,097</u>	<u>1,629,056</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	-	-
Public way and facilities	-	-	-	-
Health and sanitation	17,830,656	18,168,684	12,070,632	6,098,051
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Debt service				
Principal	-	-	186,902	(186,902)
Interest	-	-	8,600	(8,600)
Capital outlay	8,000	8,000	7,615	385
Total Expenditures	<u>17,838,656</u>	<u>18,176,684</u>	<u>12,273,749</u>	<u>5,902,935</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,726,853)</u>	<u>(14,061,643)</u>	<u>(6,529,652)</u>	<u>(4,273,878)</u>
Other Financing Sources (Uses):				
Transfers in	2,881,884	3,109,281	7,573,024	4,463,743
Transfers out	(812,175)	(812,175)	(630,639)	181,536
Total Other Financing Sources (Uses)	<u>2,069,709</u>	<u>2,297,106</u>	<u>6,942,385</u>	<u>4,645,279</u>
Net Change in Fund Balances	(11,657,144)	(11,764,537)	412,733	371,401
Budgetary Fund Balances - Beginning of Year	<u>1,560,640</u>	<u>1,560,640</u>	<u>1,560,640</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ (10,096,504)</u>	<u>\$ (10,203,897)</u>	<u>\$ 1,973,373</u>	<u>\$ 371,401</u>

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Aviation

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 17,500	\$ 17,500	\$ 10,509	\$ (6,991)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	17,844	17,844	19,611	1,767
Intergovernmental	10,000	10,000	10,000	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	<u>45,344</u>	<u>45,344</u>	<u>40,120</u>	<u>(5,224)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	-	-
Public way and facilities	86,936	86,936	58,791	28,145
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>86,936</u>	<u>86,936</u>	<u>58,791</u>	<u>28,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,592)</u>	<u>(41,592)</u>	<u>(18,671)</u>	<u>22,921</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(41,592)	(41,592)	(18,671)	22,921
Budgetary Fund Balances - Beginning of Year	<u>72,730</u>	<u>72,730</u>	<u>72,730</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 31,138</u>	<u>\$ 31,138</u>	<u>\$ 54,059</u>	<u>\$ 22,921</u>

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Fish & Game

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	5,500	5,500	1,611	(3,889)
Use of money and property	1,570	1,570	1,554	(16)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	<u>7,070</u>	<u>7,070</u>	<u>3,165</u>	<u>(3,905)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	16,228	16,228	1,508	14,720
Public way and facilities	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>16,228</u>	<u>16,228</u>	<u>1,508</u>	<u>14,720</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,158)</u>	<u>(9,158)</u>	<u>1,657</u>	<u>(18,625)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(9,158)	(9,158)	1,657	(18,625)
Budgetary Fund Balances - Beginning of Year	<u>45,401</u>	<u>45,401</u>	<u>45,401</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 36,243</u>	<u>\$ 36,243</u>	<u>\$ 47,058</u>	<u>\$ (18,625)</u>

COUNTY OF SUTTER
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Clerk-Recorder Funds
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	3,110	3,110	47,551	44,441
Intergovernmental	-	-	-	-
Charges for services	1,213,000	1,213,000	260,061	(952,939)
Other revenue	-	-	-	-
Total Revenues	<u>1,216,110</u>	<u>1,216,110</u>	<u>307,612</u>	<u>(908,498)</u>
Expenditures:				
Current:				
General government	1,053,190	1,053,190	151,063	902,127
Public protection	100,000	100,000	32,024	67,976
Public way and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>1,153,190</u>	<u>1,153,190</u>	<u>183,087</u>	<u>970,103</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>62,920</u>	<u>62,920</u>	<u>124,525</u>	<u>61,605</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	62,920	62,920	124,525	61,605
Budgetary Fund Balances - Beginning of Year	<u>1,191,415</u>	<u>1,191,415</u>	<u>1,191,415</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 1,254,335</u>	<u>\$ 1,254,335</u>	<u>\$ 1,315,940</u>	<u>\$ 61,605</u>

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Child Support Services Reimbursement/Adjustment
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	4,002	4,002	11,889	7,887
Intergovernmental	2,985,783	2,985,783	2,540,942	(444,841)
Charges for services	-	-	-	-
Other revenue	-	-	77	77
Total Revenues	<u>2,989,785</u>	<u>2,989,785</u>	<u>2,552,908</u>	<u>(436,877)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	2,964,852	2,964,852	2,535,958	428,894
Public way and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>2,964,852</u>	<u>2,964,852</u>	<u>2,535,958</u>	<u>428,894</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24,933</u>	<u>24,933</u>	<u>16,950</u>	<u>(7,983)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(24,932)	(24,932)	(7,746)	17,186
Total Other Financing Sources (Uses)	<u>(24,932)</u>	<u>(24,932)</u>	<u>(7,746)</u>	<u>17,186</u>
Net Change in Fund Balances	1	1	9,204	9,203
Budgetary Fund Balances - Beginning of Year	<u>136,938</u>	<u>136,938</u>	<u>136,938</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 136,939</u>	<u>\$ 136,939</u>	<u>\$ 146,142</u>	<u>\$ 9,203</u>

COUNTY OF SUTTER
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Economic Development
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	26,200	26,350	108,603	82,253
Intergovernmental	-	-	-	-
Charges for services	-	-	205,792	205,792
Other revenue	-	-	1,334,730	1,334,730
Total Revenues	26,200	26,350	1,649,125	1,622,775
Expenditures:				
Current:				
General government	153,000	968,925	264,282	704,643
Public protection	-	-	-	-
Public way and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	160,110	160,260	5,262	154,998
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	313,110	1,129,185	269,544	859,641
Excess (Deficiency) of Revenues Over (Under) Expenditures	(286,910)	(1,102,835)	1,379,581	763,134
Other Financing Sources (Uses):				
Transfers in	500	500	-	(500)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	500	500	-	(500)
Net Change in Fund Balances	(286,410)	(1,102,335)	1,379,581	762,634
Budgetary Fund Balances - Beginning of Year	1,737,592	1,737,592	1,737,592	-
Budgetary Fund Balances - End of Year	\$ 1,451,182	\$ 635,257	\$ 3,117,173	\$ 762,634

COUNTY OF SUTTER
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
County Fees and Taxes
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	220,000	274,650	453,016	178,366
Fines and forfeitures	-	-	-	-
Use of money and property	52,325	53,875	124,432	70,557
Intergovernmental	-	1,102,195	1,644,633	542,438
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	272,325	1,430,720	2,222,081	791,361
Expenditures:				
Current:				
General government	1,275	1,725	1,228	497
Public protection	1,730	162,424	174,175	(11,751)
Public way and facilities	450	105,906	105,820	86
Health and sanitation	200	600	554	46
Public assistance	-	-	-	-
Education	35,300	35,300	257	35,043
Recreation and culture	1,300	420,823	1,809	419,014
Capital outlay	-	-	-	-
Total Expenditures	40,255	726,778	283,843	442,935
Excess (Deficiency) of Revenues Over (Under) Expenditures	232,070	703,942	1,938,238	1,234,296
Other Financing Sources (Uses):				
Transfers in	12,799	12,799	12,799	-
Transfers out	-	(2,180,000)	(2,063,850)	116,150
Total Other Financing Sources (Uses)	12,799	(2,167,201)	(2,051,051)	116,150
Net Change in Fund Balances	244,869	(1,463,259)	(112,813)	1,350,446
Budgetary Fund Balances - Beginning of Year	2,663,729	2,663,729	2,663,729	-
Budgetary Fund Balances - End of Year	\$ 2,908,598	\$ 1,200,470	\$ 2,550,916	\$ 1,350,446

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Court Activities

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	15,000	15,000	18,731	3,731
Use of money and property	575	575	18,955	18,380
Intergovernmental	-	-	-	-
Charges for services	13,000	13,000	19,003	6,003
Other revenue	-	-	-	-
Total Revenues	<u>28,575</u>	<u>28,575</u>	<u>56,689</u>	<u>28,114</u>
Expenditures:				
Current:				
General government	3,925	3,925	338	3,587
Public protection	250	250	477	(227)
Public way and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Debt service: interest	-	-	-	-
Total Expenditures	<u>4,175</u>	<u>4,175</u>	<u>815</u>	<u>3,360</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24,400</u>	<u>24,400</u>	<u>55,874</u>	<u>31,474</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	24,400	24,400	55,874	31,474
Budgetary Fund Balances - Beginning of Year	<u>376,607</u>	<u>376,607</u>	<u>376,607</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 401,007</u>	<u>\$ 401,007</u>	<u>\$ 432,481</u>	<u>\$ 31,474</u>

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

County Service Areas

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,167,762	\$ 3,167,762	\$ 3,104,718	\$ (63,044)
Licenses and permits	-	-	4,767	4,767
Fines and forfeitures	-	-	-	-
Use of money and property	30,000	31,500	83,144	51,644
Intergovernmental	31,000	31,000	52,614	21,614
Charges for services	736,000	781,000	978,134	197,134
Other revenue	-	-	11,337	11,337
Total Revenues	<u>3,964,762</u>	<u>4,011,262</u>	<u>4,234,714</u>	<u>223,452</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	4,158,403	4,196,564	3,764,947	431,617
Public way and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	418,339	204,801	213,538
Total Expenditures	<u>4,158,403</u>	<u>4,614,903</u>	<u>3,969,748</u>	<u>645,155</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(193,641)</u>	<u>(603,641)</u>	<u>264,966</u>	<u>868,607</u>
Other Financing Sources (Uses):				
Transfers in	84,106	494,106	224,649	(269,457)
Transfers out	(35,543)	(35,543)	(24,158)	11,385
Total Other Financing Sources (Uses)	<u>48,563</u>	<u>458,563</u>	<u>200,491</u>	<u>(258,072)</u>
Net Change in Fund Balances	(145,078)	(145,078)	465,457	610,535
Budgetary Fund Balances - Beginning of Year	<u>1,517,290</u>	<u>1,517,290</u>	<u>1,517,290</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 1,372,212</u>	<u>\$ 1,372,212</u>	<u>\$ 1,982,747</u>	<u>\$ 610,535</u>

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Agencies
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 165,100	\$ 165,100	\$ 170,766	\$ 5,666
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	38,450	38,450	82,238	\$ 43,788
Intergovernmental	4,500	4,500	5,599	1,099
Charges for services	-	-	2,203	2,203
Other revenue	-	-	-	-
Total Revenues	<u>208,050</u>	<u>208,050</u>	<u>260,806</u>	<u>52,756</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	-	-
Public way and facilities	164,567	249,567	239,330	10,237
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>164,567</u>	<u>249,567</u>	<u>239,330</u>	<u>10,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>43,483</u>	<u>(41,517)</u>	<u>21,476</u>	<u>62,993</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	43,483	(41,517)	21,476	62,993
Budgetary Fund Balances - Beginning of Year	<u>2,365,920</u>	<u>2,365,920</u>	<u>2,365,920</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 2,409,403</u>	<u>\$ 2,324,403</u>	<u>\$ 2,387,396</u>	<u>\$ 62,993</u>

COUNTY OF SUTTER
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Other Special Districts
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 209,310	\$ 209,310	\$ 214,436	\$ 5,126
Licenses and permits	5,160	5,160	4,625	(535)
Fines and forfeitures	-	-	526	526
Use of money and property	38,170	38,345	88,738	50,393
Intergovernmental	930	930	828	(102)
Charges for services	5,990	5,990	14,638	8,648
Other revenue	9,750	9,750	10,750	1,000
Total Revenues	<u>269,310</u>	<u>269,485</u>	<u>334,541</u>	<u>65,056</u>
Expenditures:				
Current:				
General government	461	461	417	44
Public protection	12,240	12,290	9,462	2,828
Public way and facilities	228,911	229,036	124,175	104,861
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	20	20	2	18
Capital outlay	-	-	-	-
Total Expenditures	<u>241,632</u>	<u>241,807</u>	<u>134,056</u>	<u>107,751</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>27,678</u>	<u>27,678</u>	<u>200,485</u>	<u>(42,695)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	27,678	27,678	200,485	(42,695)
Budgetary Fund Balances - Beginning of Year	<u>2,511,123</u>	<u>2,511,123</u>	<u>2,511,123</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 2,538,801</u>	<u>\$ 2,538,801</u>	<u>\$ 2,711,608</u>	<u>\$ (42,695)</u>

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Debt Service

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Intergovernmental	367	367	366	(1)
Charges for services	-	-	-	-
Other revenue	429	429	-	(429)
Total Revenues	<u>796</u>	<u>796</u>	<u>366</u>	<u>(430)</u>
Expenditures:				
Current:				
General government	-	-	36,550	(36,550)
Public protection	-	-	-	-
Public way and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Debt service:Principal	22,466	447,645	437,597	10,048
Debt service:Interest	151	286,769	275,101	11,668
Capital outlay	-	-	-	-
Total Expenditures	<u>22,617</u>	<u>734,414</u>	<u>749,248</u>	<u>(14,834)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(21,821)</u>	<u>(733,618)</u>	<u>(748,882)</u>	<u>(15,264)</u>
Other Financing Sources (Uses):				
Transfers in	40,911	752,727	785,145	32,418
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>40,911</u>	<u>752,727</u>	<u>785,145</u>	<u>32,418</u>
Net Change in Fund Balances	19,090	19,109	36,263	17,154
Budgetary Fund Balances - Beginning of Year	<u>(19,090)</u>	<u>(19,090)</u>	<u>(19,090)</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 17,173</u>	<u>\$ 17,154</u>

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Permenant Fund:Live Oak Library Endowment
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	138	138
Total Revenues	-	-	138	138
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	-	-
Public way and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balances	138	138	138	-
Budgetary Fund Balances - Beginning of Year	(138)	(138)	(138)	-
Budgetary Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ -

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Capital Projects Fund

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 4,184	\$ 4,184	\$ 175,421	\$ 171,237
Intergovernmental	3,683,834	3,683,834	2,260,120	(1,423,714)
Charges for services	-	-	-	-
Other revenues	5,072	5,072	-	(5,072)
Total Revenues	3,693,090	3,693,090	2,435,541	(1,257,549)
Expenditures:				
Current:				
General government	716,000	4,203	8,553,082	(8,548,879)
Public protection	5,014,481	10,228,181	-	10,228,181
Health & sanitation	324,500	2,079,003	-	2,079,003
Debt Service:				
Principal	425,179	-	-	-
Interest	286,618	-	-	-
Capital outlay	1,616,205	3,341,960	1,811,583	1,530,377
Total Expenditures	8,382,983	15,653,347	10,364,665	5,288,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,689,893)	(11,960,257)	(7,929,124)	4,031,133
Other Financing Sources (Uses):				
Transfers in	4,148,377	9,864,938	6,203,709	(3,661,229)
Transfers out	-	-	(91,343)	(91,343)
Total Other Financing Sources (Uses)	4,148,377	9,864,938	6,112,366	(3,752,572)
Net Change in Fund Balances	(541,516)	(2,095,319)	(1,816,758)	278,561
Fund Balances - Beginning of Year	5,004,891	5,004,891	5,004,891	-
Fund Balances - End of Year	\$ 4,463,375	\$ 2,909,572	\$ 3,188,133	\$ 278,561

COUNTY OF SUTTER
Combining Statement of Net Position
Internal Service Funds

June 30, 2019

Risk Management

	General Liability	Workers' Compensation	Fleet Management
Assets			
Current Assets:			
Cash and investments	\$ 162,868	\$ 180,922	\$ -
Cash with fiscal agent	432,071	4,412,844	-
Accounts receivable	-	-	11,951
Interest receivable	261	37	200
Taxes receivable	-	-	-
Due from other funds	-	-	5,363
Deposits with others	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	12,758
Total Current Assets	595,200	4,593,803	30,272
Noncurrent Assets:			
Capital assets:			
Construction in progress	-	-	29,669
Depreciable, net	-	-	125,356
Total Noncurrent Assets	-	-	155,025
Total Assets	595,200	4,593,803	185,297
Deferred Outflows of Resources:			
Deferred pension	4,815	26,746	86,213
Deferred OPEB	901	1,735	2,775
Total Deferred Outflow of Resources	5,716	28,481	88,988
Liabilities			
Current Liabilities:			
Accounts payable	-	759	44,208
Salaries and benefits payable	1,637	4,925	8,728
Due to other funds	-	88	158,416
Capital lease payable	-	-	-
Compensated absences payable	-	1,291	27,738
Claims payable	863,392	5,440,228	-
Unearned revenue	-	-	-
Total Current Liabilities	865,029	5,447,291	239,090
Noncurrent Liabilities:			
Capital lease payable	-	-	60,328
Compensated absences payable	-	92	1,981
Net pension liability	22,547	125,216	403,615
Net OPEB liability	18,427	35,437	56,699
Total Noncurrent Liabilities	40,974	160,745	522,623
Total Liabilities	906,003	5,608,036	761,713
Deferred Inflows of Resources:			
Deferred pension	714	3,876	12,774
Deferred OPEB	629	1,211	1,937
Total Deferred Inflow of Resources	1,343	5,087	14,711
Net Position:			
Net investment in capital assets	-	-	94,696
Unrestricted (deficit)	(306,429)	(990,839)	(596,835)
Total Net Position	\$ (306,429)	\$ (990,839)	\$ (502,139)

continued

COUNTY OF SUTTER
Combining Statement of Net Position (continued)
Internal Service Funds
June 30, 2019

	Information Technology	Employee Wellness	Total
Assets			
Current Assets:			
Cash and investments	\$ 1,568,518	\$ -	\$ 1,912,308
Cash with fiscal agent	-	-	4,844,915
Accounts receivable	626	-	12,577
Interest receivable	3,298	24	3,820
Taxes receivable	-	-	-
Due from other funds	17,031	-	22,394
Deposits with others	-	-	-
Prepaid expenses	11,727	1,923	13,650
Inventory	-	-	12,759
Total Current Assets	1,601,200	1,946	6,822,422
Noncurrent Assets:			
Capital assets:			
Construction in progress	21,857	-	51,526
Depreciable, net	692,774	-	818,130
Total Noncurrent Assets	714,631	-	869,656
Total Assets	2,315,831	1,946	7,692,078
Deferred Outflows of Resources:			
Deferred pension	546,945	-	664,719
Deferred OPEB	12,486	-	17,897
Total Deferred Outflow of Resources	559,431	-	682,616
Liabilities			
Current Liabilities:			
Accounts payable	28,074	5,516	78,557
Salaries and benefits payable	50,692	-	65,982
Due to other funds	8,943	578	168,025
Capital lease payable	-	-	-
Compensated absences payable	194,705	-	223,734
Claims payable	-	-	6,303,620
Unearned revenue	626	-	626
Total Current Liabilities	283,040	6,094	6,840,544
Noncurrent Liabilities:			
Capital lease payable	97,264	-	157,592
Compensated absences payable	13,904	-	15,977
Net pension liability	2,560,588	-	3,111,966
Net OPEB liability	255,148	-	365,711
Total Noncurrent Liabilities	2,926,904	-	3,651,246
Total Liabilities	3,209,944	6,094	10,491,790
Deferred Inflows of Resources:			
Deferred pension	81,038	-	98,402
Deferred OPEB	8,716	-	12,493
Total Deferred Inflow of Resources	89,754	-	110,895
Net Position:			
Net investment in capital assets	617,366	-	712,062
Unrestricted (deficit)	(1,041,802)	(4,148)	(2,940,053)
Total Net Position	\$ (424,436)	\$ (4,148)	\$ (2,227,991)

COUNTY OF SUTTER
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2019

	Risk Management		
	General Liability	Workers' Compensation	Fleet Management
Operating Revenues:			
Charges for services	\$ 1,404,908	\$ 2,685,857	\$ 960,176
Other revenue	36,400	-	-
Total Operating Revenues	1,441,308	2,685,857	960,176
Operating Expenses:			
Salaries and benefits	8,491	282,973	117,556
Services and supplies	1,168,699	3,467,941	389,495
Other charges	16,396	10,392	231,402
Depreciation	-	-	24,339
Total Operating Expenses	1,193,586	3,761,306	762,792
Net Operating Income (Loss)	247,722	(1,075,449)	197,384
Non-Operating Revenues (Expenses):			
Interest income (expense)	539	878	(5,917)
Fines and penalties	-	-	-
Total Non-Operating Revenues and Expenses	539	878	(5,917)
Net Income (Loss) Before Transfers	248,261	(1,074,571)	191,467
Transfers in	-	-	-
Transfers out	-	-	-
Change in Net Position	248,261	(1,074,571)	191,467
Net Position - Beginning of Year	(554,690)	83,732	(693,606)
Net Position - End of Year	\$ (306,429)	\$ (990,839)	\$ (502,139)

COUNTY OF SUTTER
Combining Statement of Revenues, Expenses and
Changes in Net Position (continued)
Internal Service Funds
For the Year Ended June 30, 2019

	Information Technology	Employee Wellness	Total
Operating Revenues:			
Charges for services	\$ 4,343,920	\$ 731,960	\$ 10,126,821
Other revenue	8	1,450	37,858
Total Operating Revenues	4,343,928	733,410	10,164,679
Operating Expenses:			
Salaries and benefits	1,921,967	-	2,330,986
Services and supplies	1,097,327	669,833	6,793,295
Other charges	216,431	1,974	476,595
Depreciation	159,105	-	183,444
Total Operating Expenses	3,394,830	671,807	9,784,320
Net Operating Income (Loss)	949,098	61,603	380,359
Non-Operating Revenues (Expenses):			
Interest income (expense)	14,829	(1,701)	8,628
Fines and penalties	-	-	-
Total Non-Operating Revenues and Expenses	14,829	(1,701)	8,628
Net Income (Loss) Before Transfers	963,927	59,902	388,987
Transfers in	-	-	-
Transfers out	-	-	-
Change in Net Position	963,927	59,902	388,987
Net Position - Beginning of Year	(1,388,363)	(64,050)	(2,616,978)
Net Position - End of Year	\$ (424,436)	\$ (4,148)	\$ (2,227,991)

COUNTY OF SUTTER
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

	Risk Management		
	General Liability	Workers' Compensation	Fleet Management
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 1,043,874	\$ 7,098,701	\$ 948,224
Cash paid to suppliers for goods and services	(819,512)	(2,450,271)	(606,767)
Cash paid to employees	(46,668)	(176,450)	(365,936)
Net Cash Provided (Used) by Operating Activities	<u>177,694</u>	<u>4,471,980</u>	<u>(24,479)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Interfund loans received (paid)	260	88	(2,292)
Miscellaneous cash received (paid)	-	3	56,153
Net Cash Provided (Used) by Noncapital Financing Activities	<u>260</u>	<u>91</u>	<u>53,861</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on capital leases	-	(1,240)	-
Payments related to the acquisition of capital assets	-	-	(23,664)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(1,240)</u>	<u>(23,664)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	2,991	(1,207)	(5,718)
Net Cash Provided (Used) by Investing Activities	<u>2,991</u>	<u>(1,207)</u>	<u>(5,718)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	180,945	4,469,624	0
Cash and Cash Equivalents, Beginning of Year	413,994	124,142	(0)
Cash and Cash Equivalents, End of Year	<u>\$ 594,939</u>	<u>\$ 4,593,766</u>	<u>\$ 0</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	247,722	(1,075,449)	197,384
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	24,339
Loss on disposal of capital assets	-	704	-
Changes in assets and liabilities:			
Decrease (increase) in:			
Accounts receivable	-	1,763	(11,951)
Deposits and prepaid expenses	-	-	-
Inventory	-	-	-
Increase (decrease) in:			
Accounts payable	(243)	(26)	14,135
Salaries and benefits payable	1,045	2,362	2,081
Compensated absences payable	-	(3,042)	9,497
Claims liability	365,826	5,440,228	(6)
Other liabilities	-	-	-
Net pension liability	(442,505)	82,832	(266,600)
Net OPEB liability	5,850	22,608	6,642
Net Cash Provided (Used) by Operating Activities	<u>\$ 177,694</u>	<u>\$ 4,471,981</u>	<u>\$ (24,479)</u>

COUNTY OF SUTTER
Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Year Ended June 30, 2019

	Information Technology	Employee Wellness	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 4,343,926	\$ 733,410	\$ 14,168,136
Cash paid to suppliers for goods and services	(1,869,046)	(732,608)	(6,478,204)
Cash paid to employees	(2,335,894)	-	(2,924,947)
Net Cash Provided (Used) by Operating Activities	<u>138,986</u>	<u>802</u>	<u>4,764,986</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Interfund loans received (paid)	11,701	509	10,266
Miscellaneous cash received (paid)	-	-	56,156
Net Cash Provided (Used) by Noncapital Financing Activities	<u>11,701</u>	<u>509</u>	<u>66,422</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on capital leases	-	-	(1,240)
Payments related to the acquisition of capital assets	(124,581)	-	(148,245)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(124,581)</u>	<u>-</u>	<u>(149,485)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	25,858	(1,311)	20,613
Net Cash Provided (Used) by Investing Activities	<u>25,858</u>	<u>(1,311)</u>	<u>20,613</u>
Net Increase (Decrease) in Cash and Cash Equivalents	51,964	-	4,702,536
Cash and Cash Equivalents, Beginning of Year	1,516,554	-	2,054,690
Cash and Cash Equivalents, End of Year	<u>\$ 1,568,518</u>	<u>\$ -</u>	<u>\$ 6,757,226</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	949,098	61,603	380,359
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	159,105	-	183,444
Loss on disposal of capital assets	-	-	704
Changes in assets and liabilities:			
Decrease (increase) in:			
Accounts receivable	-	-	(10,188)
Deposits and prepaid expenses	(7,545)	(1,923)	(9,468)
Inventory	-	-	-
Increase (decrease) in:			
Accounts payable	(339,338)	(58,878)	(384,350)
Salaries and benefits payable	11,041	-	16,529
Compensated absences payable	58,169	-	64,624
Claims liability	-	-	5,806,048
Other liabilities	93,444	-	93,444
Net pension liability	(827,182)	-	(1,453,456)
Net OPEB liability	42,195	-	77,295
Net Cash Provided (Used) by Operating Activities	<u>\$ 138,986</u>	<u>\$ 802</u>	<u>\$ 4,764,986</u>



Statistical Section

Statistical Section



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

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

Debt Capacity155
 These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.

Demographic and Economic Information158
 These schedules offer economic and demographic indicators to help the reader understand the socioeconomic environment within which the County’s financial activities take place.

Operating Information160
 These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Auditor-Controller’s Office.

COUNTY OF SUTTER
Net Position by Category (unaudited)
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

Governmental activities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Net Investment in capital assets	\$ 80,477	\$ 79,978	\$ 75,664	\$ 72,707	\$ 70,414	\$ 72,133	\$ 69,203	\$ 68,552	\$ 81,277	\$ 88,678
Restricted for:										
General government	-	-	-	-	-	-	752	33,612	866	5,824
Taxes and fees	7,100	5,211	7,323	6,702	5,957	581	5,687	-	2,664	2,551
Public Protection	10,687	6,326	8,681	11,383	14,876	16,229	19,767	18,004	21,343	19,262
Public ways and facilities	9,312	10,700	11,290	8,101	9,510	10,691	11,980	16,610	16,186	18,094
Health and social services	14,015	18,538	10,283	26,945	31,417	36,034	38,804	14,189	29,349	26,391
Public assistance	4,014	18	1,341	1,716	1,808	1,583	1,612	14,068	1,784	11,001
Other	1,624	1,298	1,244	1,450	3,367	1,730	1,784	1,005	2,619	4,618
Unrestricted	20,104	32,466	33,353	16,644	11,838	(95,888)	(102,750)	(117,889)	(115,811)	(118,796)
Total governmental activities net position	\$ 147,334	\$ 154,533	\$ 149,179	\$ 145,648	\$ 149,187	\$ 43,092	\$ 46,839	\$ 48,152	\$ 40,277	\$ 57,623
Business-type activities										
Net Investment in capital assets	\$ 1,507	\$ 1,512	\$ 2,539	\$ 2,295	\$ 2,335	\$ 2,366	\$ 2,269	\$ 2,117	\$ 1,963	\$ 1,489
Unrestricted	(621)	(965)	(925)	(1,006)	(1,102)	(1,032)	166	172	259	346
Total business-type activities net position	\$ 886	\$ 547	\$ 1,613	\$ 1,289	\$ 1,234	\$ 1,335	\$ 2,435	\$ 2,289	\$ 2,222	\$ 1,835
Primary Government										
Net Investment in capital assets	\$ 81,984	\$ 81,490	\$ 78,202	\$ 75,003	\$ 72,749	\$ 74,499	\$ 71,472	\$ 70,670	\$ 83,240	\$ 90,166
Restricted for:										
General government	-	-	-	-	-	-	752	33,612	866	5,824
Taxes and fees	7,100	5,211	7,323	6,702	5,957	581	5,687	-	2,664	2,551
Public Protection	10,687	6,326	8,681	11,383	14,876	16,229	19,767	18,004	21,343	19,262
Public ways and facilities	9,312	10,700	11,290	8,101	9,510	10,691	11,980	16,610	16,186	18,094
Health and social services	14,015	18,538	10,283	26,945	31,417	36,034	38,804	14,189	29,349	26,391
Public assistance	4,014	18	1,341	1,716	1,808	1,583	1,612	14,068	1,784	11,001
Other	1,624	1,298	1,244	1,450	3,367	1,730	1,784	1,005	2,619	4,618
Unrestricted	19,483	31,501	32,428	15,637	10,736	(96,919)	(102,583)	(117,717)	(115,552)	(118,449)
Total primary governmental net position	<u>\$ 148,220</u>	<u>\$ 155,080</u>	<u>\$ 150,792</u>	<u>\$ 146,937</u>	<u>\$ 150,420</u>	<u>\$ 44,427</u>	<u>\$ 49,274</u>	<u>\$ 50,442</u>	<u>\$ 42,499</u>	<u>\$ 59,458</u>

Notes:

* Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted when 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

COUNTY OF SUTTER
Changes in Net Position (unaudited)
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Expenses										
Governmental activities:										
General government	\$ 12,087	\$ 9,921	\$ 9,239	\$ 13,699	\$ 11,003	\$ 11,552	\$ 12,472	\$ 16,903	\$ 41,030	\$ 31,856
Public safety	47,671	47,659	47,367	52,494	47,486	42,752	44,724	44,711	46,834	59,864
Public ways and facilities	7,695	9,566	8,050	11,727	7,971	12,705	12,156	12,013	12,162	10,238
Health and sanitation	40,063	40,773	41,837	38,867	34,294	39,832	42,334	42,212	49,935	59,027
Public assistance	30,581	30,753	30,955	27,246	38,116	40,033	40,730	43,204	48,341	46,931
Education	1,823	1,633	1,521	1,282	1,486	1,596	1,635	1,582	1,759	1,744
Culture and recreation	708	565	643	686	649	709	741	760	929	566
Community development	243	1,729	87	539	177	30	12	-	-	-
Interest on long-term debt	199	120	180	141	265	347	350	50	367	352
Subtotal governmental	\$ 141,069	\$ 142,718	\$ 139,880	\$ 146,680	\$ 141,447	\$ 149,555	\$ 155,153	\$ 161,436	\$ 201,357	\$ 210,579
Business-type activities:										
Waterworks District No. 1	480	495	518	601	431	379	508	453	374	833
Subtotal business-type	480	495	518	601	431	379	508	453	374	833
activities expenses	480	495	518	601	431	379	508	453	374	833
Total expenses	\$ 141,549	\$ 143,213	\$ 140,397	\$ 147,281	\$ 141,878	\$ 149,934	\$ 155,661	\$ 161,888	\$ 201,731	\$ 211,412
Program Revenues										
Governmental activities:										
Fees, fines & charges for services	\$ 9,859	\$ 9,921	\$ 9,787	\$ 9,337	\$ 8,625	\$ 8,886	\$ 10,417	\$ 20,419	\$ 27,383	\$ 45,613
Operating grants & contributions	90,863	103,181	87,174	99,466	100,772	100,772	105,395	104,188	128,859	133,715
Capital grants & contributions	325	-	-	-	132	114	194	-	-	-
Subtotal governmental	101,047	113,102	96,961	108,803	109,529	109,772	116,006	124,607	156,242	179,328
Business-type activities:										
Fees, fines & charges for services	145	176	1,567	169	178	219	215	261	260	260
Operating Grants	-	-	-	-	-	246	48	58	-	-
Capital Grants	-	-	-	104	88	-	62	-	45	178
Unrestricted Interest & Investment Earnings	(21)	(10)	17	2	5	2	4	2	1	9
Miscellaneous	-	-	-	-	-	13	-	(14)	-	-
Subtotal business-type	124	166	1,584	276	272	480	328	307	306	446
activities	124	166	1,584	276	272	480	328	307	306	446
Total program revenues	\$ 101,171	\$ 113,268	\$ 98,545	\$ 109,079	\$ 109,801	\$ 110,252	\$ 116,334	\$ 124,914	\$ 156,548	\$ 179,774
Net (expense)/revenue										
Governmental activities	(40,023)	(29,616)	(42,919)	(37,877)	(31,918)	(39,783)	(39,147)	(36,829)	(45,115)	(31,251)
Business-type activities	(356)	(329)	1,066	(325)	(160)	101	(180)	(146)	(68)	(387)
Total net expense	\$ (40,378)	\$ (29,944)	\$ (41,853)	\$ (38,202)	\$ (32,078)	\$ (39,682)	\$ (39,328)	\$ (36,975)	\$ (45,183)	\$ (31,637)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 27,268	\$ 25,792	\$ 25,900	\$ 25,650	\$ 25,642	\$ 27,175	\$ 28,257	\$ 29,921	\$ 31,175	\$ 31,965
Property taxes in lieu of sales taxes	488	649	605	847	750	910	664	-	-	#REF!
Franchise taxes	1,612	1,572	1,162	1,223	1,247	1,545	1,296	1,013	1,309	1,263
Sales and use taxes	2,048	2,273	2,603	2,577	2,974	2,853	3,241	2,845	4,348	4,745
Transportation taxes	309	90	106	842	801	1,516	1,060	734	860	976
Transient occupancy taxes	40	31	29	-	-	-	-	-	-	-
Transfer taxes	214	236	244	365	304	360	342	368	425	455
Other	-	-	-	678	318	298	304	-	436	366
Fire taxes	266	270	277	-	-	-	-	351	-	-
Unrestricted interest & investment earnings	1,780	1,460	1,210	603	1,662	968	2,010	817	523	3,867
Tobacco settlement	-	-	-	1,269	834	826	817	840	1,003	972
Miscellaneous	2,160	2,412	5,430	1,312	923	1,042	957	1,239	1,473	3,987
Transfers	-	-	-	-	-	-	(1,281)	14	-	-
Subtotal governmental activities	36,185	34,784	37,565	35,366	35,457	37,492	37,666	38,142	41,552	#REF!
Total primary government	\$ 36,185	\$ 34,784	\$ 37,565	\$ 35,366	\$ 35,457	\$ 37,492	\$ 37,666	\$ 38,142	\$ 41,552	\$ #REF!
Changes in net position										
Governmental activities	\$ (3,838)	\$ 5,168	\$ (5,354)	\$ (2,512)	\$ 3,539	\$ (2,291)	\$ (1,481)	\$ 1,313	\$ (3,563)	\$ #REF!
Business-type activities	(356)	(329)	1,066	(325)	(160)	101	(180)	(146)	(68)	(387)
Total primary government	\$ (4,194)	\$ 4,839	\$ (4,288)	\$ (2,836)	\$ 3,379	\$ (2,190)	\$ (1,661)	\$ 1,167	\$ (3,631)	\$ #REF!

* Notes: Adjustments in 2010: Unrestricted Interest & Investment earnings.
2010: Operating grants and Contributions from \$90,140,290 to \$90,862,705.

COUNTY OF SUTTER
Fund Balances, Governmental Funds (unaudited)
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
General Fund										
Reserved for:										
Encumbrances	\$ 217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Imprest cash	17	75	45	-	-	-	-	-	-	-
Inventory and prepaids	15	-	-	-	-	-	-	-	-	-
Long term receivables and advances	962	1,713	1,703	-	-	-	-	-	-	-
Loans due in more than one year	-	301	830	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Unreserved:										
Designated	12,171	-	-	-	-	-	-	-	-	-
Undesignated	11,920	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	1,997	1,982	2,890	2,019	1,827	1,772	2,396
Restricted	-	23	47	-	-	2	2	20	45	2,518
Committed	-	10,987	9,315	13,770	12,488	13,213	16,493	11,938	8,776	5,673
Assigned	-	266	163	640	36	710	462	737	649	472
Unassigned	-	6,643	9,857	5,034	7,452	8,621	7,945	11,083	11,275	9,762
Subtotal General Fund	<u>25,301</u>	<u>20,008</u>	<u>21,960</u>	<u>21,441</u>	<u>21,957</u>	<u>25,436</u>	<u>26,921</u>	<u>25,604</u>	<u>22,517</u>	<u>20,820</u>
All Other Governmental Funds										
Reserved for:										
Encumbrances	218	-	-	-	-	-	-	-	-	-
Imprest cash	13	15	344	-	-	-	-	-	-	-
Inventory and prepaids	129	110	133	-	-	-	-	-	-	-
Long term receivables and advances	8,599	5,560	4,193	-	-	-	-	-	-	-
Loans due in more than one year	-	2,888	832	-	-	-	-	-	-	-
Library endowment	30	-	30	-	-	-	-	-	-	-
Unreserved:										
Designated	21,682	-	-	-	-	-	-	-	-	-
Undesignated	9,726	-	-	-	-	-	-	-	-	-
Capital projects fund:										
Designated	158	-	-	-	-	-	-	-	-	-
Undesignated	17	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	172	207	172	207	2,598	2,321	2,459
Restricted	-	35,391	40,294	48,003	57,014	62,023	69,082	71,398	68,065	73,426
Committed	-	385	380	254	6,613	2,641	348	4,537	5,183	3,609
Assigned	-	179	18	1	256	-	-	1	2,802	29
Unassigned	-	(100)	(79)	(158)	(106)	(116)	(701)	(6,649)	(3,405)	-
Subtotal all other governmental funds	<u>40,572</u>	<u>44,428</u>	<u>46,144</u>	<u>48,273</u>	<u>63,983</u>	<u>64,720</u>	<u>68,936</u>	<u>71,884</u>	<u>74,966</u>	<u>79,523</u>
Total government fund balance	<u>\$ 65,873</u>	<u>\$ 64,437</u>	<u>\$ 68,104</u>	<u>\$ 69,714</u>	<u>\$ 85,941</u>	<u>\$ 90,157</u>	<u>\$ 95,858</u>	<u>\$ 97,489</u>	<u>\$ 97,483</u>	<u>\$ 100,343</u>

COUNTY OF SUTTER
Changes in Fund Balances, Governmental Funds (unaudited)
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Revenues (by source)										
Taxes	\$ 30,633	\$ 29,340	\$ 29,763	\$ 30,958	\$ 30,791	\$ 33,112	\$ 33,868	\$ 34,219	\$ 37,245	\$ 38,507
Licenses and permits	2,424	2,457	2,091	2,137	2,194	2,690	2,530	2,003	2,353	2,657
Fines, forfeitures and penalties	1,414	1,152	1,255	1,162	1,111	1,366	1,032	882	1,073	1,197
Use of money and property	1,725	1,399	1,170	618	1,611	953	1,976	800	552	3,858
Intergovernmental	89,843	93,428	90,922	100,055	102,231	104,527	104,337	105,719	130,531	130,017
Charges for services	7,155	8,283	6,862	7,261	6,567	6,374	8,150	18,631	25,936	42,592
Other revenues	<u>2,163</u>	<u>2,417</u>	<u>5,418</u>	<u>2,581</u>	<u>1,757</u>	<u>1,868</u>	<u>1,774</u>	<u>1,889</u>	<u>2,361</u>	<u>4,356</u>
Total revenues	<u>135,358</u>	<u>138,475</u>	<u>137,479</u>	<u>144,771</u>	<u>146,262</u>	<u>150,889</u>	<u>153,667</u>	<u>164,141</u>	<u>200,051</u>	<u>223,184</u>
Expenditures (by function)										
General government	11,298	8,854	6,802	10,718	10,142	10,121	10,034	16,544	26,194	19,871
Public protection	46,314	47,261	46,145	51,678	46,205	42,340	43,516	45,208	58,483	73,551
Public ways and facilities	6,145	7,623	4,890	10,643	4,723	9,232	8,467	9,190	13,381	8,281
Health and sanitation	39,691	40,604	41,421	38,527	33,845	36,812	39,805	41,825	48,006	62,013
Public assistance	30,241	30,579	30,595	27,005	37,775	38,189	38,860	42,984	46,917	48,755
Education	1,798	1,626	1,512	1,254	1,463	1,441	1,470	1,572	1,735	1,905
Culture and recreation	699	599	642	679	643	686	683	745	1,116	694
Community development	243	1,729	87	539	177	30	12	-	-	-
Debt service:										
Principal	128	145	151	158	222	346	305	84	470	624
Interest	199	120	180	141	95	362	350	58	372	356
Issuance costs	-	-	-	-	-	-	-	-	-	-
Capital Outlay	<u>1,187</u>	<u>2,742</u>	<u>1,386</u>	<u>1,819</u>	<u>4,237</u>	<u>7,109</u>	<u>3,197</u>	<u>4,435</u>	<u>3,387</u>	<u>4,272</u>
Total expenditures	<u>137,942</u>	<u>141,883</u>	<u>133,812</u>	<u>143,161</u>	<u>139,527</u>	<u>146,668</u>	<u>146,697</u>	<u>162,646</u>	<u>200,061</u>	<u>220,323</u>
Other Financing Sources (Uses)										
Proceeds on sale of capital assets	-	-	-	-	-	-	-	106	-	-
Transfers in	9,010	6,131	18,053	24,537	68,906	77,453	74,973	83,846	102,068	107,637
Transfers out	(9,010)	(6,131)	(18,053)	(24,537)	(68,906)	(77,458)	(76,242)	(83,817)	(102,068)	(107,637)
Debt refunding to escrow agent	-	-	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	9,492	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,492</u>	<u>(5)</u>	<u>(1,269)</u>	<u>135</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (2,585)</u>	<u>\$ (3,407)</u>	<u>\$ 3,668</u>	<u>\$ 1,610</u>	<u>\$ 16,226</u>	<u>\$ 4,216</u>	<u>\$ 5,701</u>	<u>\$ 1,631</u>	<u>\$ (10)</u>	<u>\$ 2,861</u>
Debt service as a percentage of noncapital expenditures:										
	0.24%	0.19%	0.25%	0.21%	0.23%	0.51%	0.46%	0.09%	0.43%	0.46%

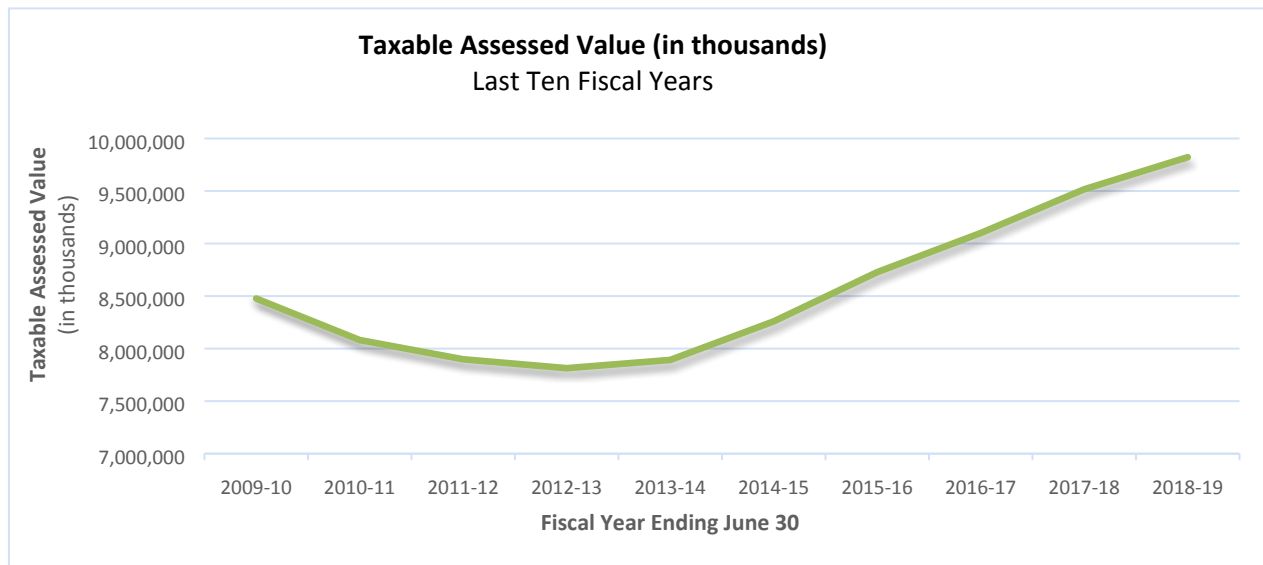
COUNTY OF SUTTER
Assessed Value of Taxable Property and Actual Value of Property (unaudited)
Last Ten Fiscal Years (in thousands)
 (accrual basis of accounting)

Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the consumer price index (CPI) on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase Price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bands and special assessments.

Fiscal Year	(1) Secured	(2) Unsecured	(3) Unitary	(4) Exempt	Total Taxable Assessed value	Total Direct Tax Rate (%)
2009 - 2010	\$ 8,104,381	\$ 553,417	\$ 184,240	\$ (365,249)	\$ 8,476,788	1.0000
2010 - 2011	7,692,047	543,289	187,587	(341,280)	8,081,643	1.0000
2011 - 2012	7,537,773	534,744	198,103	(372,113)	7,898,506	1.0000
2012 - 2013	7,424,721	557,327	199,667	(367,800)	7,813,915	1.0000
2013 - 2014	7,521,156	557,430	212,885	(399,302)	7,892,170	1.0000
2014 - 2015	8,231,568	571,216	235,333	(778,802)	8,259,316	1.0000
2015 - 2016	8,295,983	576,315	268,936	(413,438)	8,727,797	1.0000
2016 - 2017	8,654,165	614,175	271,445	(439,548)	9,100,238	1.0000
2017 - 2018	9,095,742	583,896	291,120	(454,149)	9,516,609	1.0000
2018 - 2019	9,510,499	459,004	313,897	(461,355)	9,822,045	1.0000

Notes:

- (1) Local assessed secured property is generally real property, defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.
- (2) Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.
- (3) Unitary properties are railroads and utilities crossing the County and are assessed by the State Board of Equalization. Most of the amount reported is unitary but includes a small amount of other state-assessed property.
- (4) Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.



COUNTY OF SUTTER
Property Tax Rates-Direct and Overlapping Governments (unaudited)
(\$1 per \$100 of Assessed Value)
Last Ten Fiscal Years (in thousands)

County direct and overlapping tax rates for the last ten fiscal years are provided below.

Fiscal Year	County Direct Rates		Overlapping Rates		Total
	Sutter County General	K-12 Schools (1)	Yuba College (2)		
2009 - 2010	1.00000%	0.03432%	0.00875%		1.04307%
2010 - 2011	1.00000%	0.04039%	0.00725%		1.04764%
2011 - 2012	1.00000%	0.03940%	0.00837%		1.04777%
2012 - 2013	1.00000%	0.04225%	0.00832%		1.05057%
2013 - 2014	1.00000%	0.04328%	0.00914%		1.05242%
2014 - 2015	1.00000%	0.04324%	0.00834%		1.05158%
2015 - 2016	1.00000%	0.03952%	0.00831%		1.04783%
2016 - 2017	1.00000%	0.03899%	0.00878%		1.04777%
2017 - 2018	1.00000%	0.03961%	0.00845%		1.04806%
2018 - 2019	1.00000%	0.03958%	0.00749%		1.04707%

Notes:

- (1) Rates shown represent a weighted average of the various kindergarten thru 12th grade schools and school district tax rate areas within the County.
- (2) Rates shown represent a weighted average of the Yuba College tax rates within the County.

COUNTY OF SUTTER
Principal Property Taxpayers(unaudited)
June 30, 2018 AND June 30, 2009 (in thousands)

In accordance with GASB Statement No. 44, the following tables present information for the county's principal property taxpayers as of June 30, 2019 and June 30, 2010.

June 30, 2019:

Taxpayers	Type of Business	(1)	Percentage of Total Taxable Assessed Value	(2)	Percentage of Total Secured Tax Levy Fiscal Year
		Net Assessed Secured Property Value		Total Secured Tax Levy Fiscal Year 2018-19	
Pacific Gas & Electric Co.	Utility	\$ 253,553	2.58%	\$ 2,929	2.37%
Sunsweet Growers Inc.	Fruit Processor	72,999	0.74%	730	0.59%
CCFC Sutter Energy, LLC	Utility	67,900	0.69%	679	0.55%
Sysco Food Srvs Sacramento Inc	Food Service	43,449	0.44%	434	0.35%
Ca Resources Production Corp	Gas & Oil	41,486	0.42%	415	0.34%
Miravista LLC	Retail	34,750	0.35%	348	0.28%
Sutter Medical Foundation	Medical	34,425	0.35%	344	0.28%
Bains Properties LP	Agriculture	32,477	0.33%	325	0.26%
Pelger Road 1700 LLC	Agriculture	29,872	0.30%	299	0.24%
Odysseus Farms	Real Estate	27,366	0.28%	274	0.22%

June 30, 2010:

Taxpayers	Type of Business	(1)	Percentage of Total Taxable Assessed Value	(2)	Percentage of Total Secured Tax Levy Fiscal Year
		Net Assessed Secured Property Value		Total Secured Tax Levy Fiscal Year 2009-10	
Calpine Construction Finance	Utility	\$ 249,500	2.94%	\$ 2,495	2.59%
Venoco Inc	Gas & Oil	176,031	2.08%	1,760	1.83%
Pacific Gas & Electric Co.	Utility	130,889	1.54%	1,416	1.47%
Sunsweet Growers Inc	Fruit Processor	72,242	0.85%	722	0.75%
Miravista LLC	Retail	38,495	0.45%	385	0.40%
Calpine Greenleaf Holdings Inc	Utility	36,182	0.43%	362	0.38%
Steadfast Yuba City 1 LLC Etal	Retail	33,085	0.39%	331	0.34%
Twin Cities Hospital LP	Medical	30,454	0.36%	305	0.32%
Sysco Food Srvs Sacramento Inc	Food Service	28,663	0.34%	287	0.30%
AT& T California	Phone	24,140	0.28%	261	0.27%

Total Property Tax

Notes:

- (1) Net Assessed Secured amount include Secured & Utility less exemptions.
See "Assessed Value of Taxable Property and Actual Value of Property" schedule for total assessed value.
- (2) Includes 1%, bonds, and fixed charges (Only Secured & Utility Tax Levy amounts).

COUNTY OF SUTTER
Property Tax Levies and Collections (unaudited)
Last Ten Fiscal Years (in thousands)

Property tax levies and collections for the last ten fiscal years are presented below.

Fiscal Year	(1) Taxes Levied	(2) Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2009 - 2010	96,414	93,662	97.15%	2,233	95,895	99.46%
2010 - 2011	98,644	96,072	97.39%	1,772	97,844	99.19%
2011 - 2012	97,721	95,993	98.23%	1,210	97,204	99.47%
2012 - 2013	97,023	95,621	98.55%	931	96,551	99.51%
2013 - 2014	98,348	97,132	98.76%	759	97,891	99.54%
2014 - 2015	102,007	100,890	98.91%	650	101,540	99.54%
2015 - 2016	106,781	105,692	98.98%	596	106,288	99.54%
2016 - 2017	110,786	109,893	99.19%	520	110,414	99.66%
2017 - 2018	117,052	116,091	99.18%	1,216	117,307	100.22%
2018 - 2019	123,510	121,260	98.18%		121,260	98.18%

Notes:

- (1) Secured and Unitary tax levy for the County itself, school districts, cities, and special districts under the supervision of their own governing boards.
- (2) Included are amounts collected by the County on behalf of itself, school districts, cities, and special districts under the supervision of their own governing boards.

COUNTY OF SUTTER
Ratios of Outstanding Debt by Type (unaudited)
Last Ten Fiscal Years (in thousands)

Ratios of outstanding debt for governmental activities and business type activities for the last ten fiscal years are presented below.

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
	Certificates of Participation (1)	Capital Leases	Long-Term Loans	Liability for Self-Insurance	Compensated Absences	Capital Leases	Long-Term Loans	Compensated Absences			
2009 - 2010	-	1,615	83	761	5,045	-	105	-	7,609	0.43%	80
2010 - 2011	-	1,484	70	539	5,054	-	98	-	7,245	0.47%	76
2011 - 2012	-	1,346	55	434	5,486	-	91	-	7,412	0.46%	78
2012 - 2013	-	1,203	41	482	5,565	-	83	-	7,373	0.48%	77
2013 - 2014	-	10,502	25	531	5,892	-	75	-	17,025	0.22%	177
2014 - 2015	-	9,916	-	720	6,314	-	67	-	17,017	0.23%	177
2015 - 2016	-	9,370	-	720	5,826	-	58	-	15,974	0.25%	165
2016 - 2017	-	8,775	-	720	6,168	-	49	-	15,712	0.26%	162
2017 - 2018	-	7,967	-	498	6,324	-	41	-	14,830	0.28%	153
2018 - 2019	-	7,330	-	863	6,169	-	32	-	14,395	0.29%	148

Notes:

- (1) Certificates of Participation are reported within the Capital Leases section on the Notes to the Financial Statements.
- (2) See the "Demographics and Economic Statistics" schedule for personal income and population data. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.
- (3) See the "Demographics and Economics Statistics" schedule for population figures. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.

COUNTY OF SUTTER
Computation of Legal Debt Margin (unaudited)
Last Ten Fiscal Years (in thousands)

The legal debt margin for the last ten fiscal years is presented below.

Fiscal Year	(1) Assessed Value	(2) Legal Debt Limit	Total Net Applicable Debt	(3) Legal Debt Margin	Legal Debt Margin/Debt Limit
2009 - 2010	8,476,788	105,960	-	105,960	100%
2010 - 2011	8,081,643	101,021	-	101,021	100%
2011 - 2012	7,898,506	98,731	-	98,731	100%
2012 - 2013	7,813,915	97,674	-	97,674	100%
2013 - 2014	7,892,170	98,652	-	98,652	100%
2014 - 2015	8,259,316	103,241	-	103,241	100%
2015 - 2016	8,727,797	109,097	-	109,097	100%
2016 - 2017	9,100,238	113,753	-	113,753	100%
2017 - 2018	9,516,609	118,958	-	118,958	100%
2018 - 2019	9,822,045	122,776	-	122,776	100%

Notes:

- (1) Property value data can be found in the "Assessed Value of Taxable Property and Actual Value of Property" schedule.
- (2) California Government Code Section 29909 read in conjunction with Revenue and Taxation Code Section 135 imposes a legal debt limitation for General Obligation Bond indebtedness to 1.25% of the total full cash valuation.
- (3) The legal debt margin is the County's available borrowing authority under state finance statutes and is calculated by subtracting the debt applicable to the legal debt limit.

COUNTY OF SUTTER
Direct and overlapping Bonded Debt (unaudited)
As of June 30, 2019

Direct and overlapping debt is provided below.

2018-2019 Assessed Valuation: \$ 9,822,045

Overlapping Tax and Assessment Debt:	Percent Applicable	Debt (2)
	(1)	
Sutter Community Service District	100%	\$ 425,472
Yuba City Unified - 1999	100%	10,496,489
Yuba City Unified - 2004	100%	15,454,503
East Nicolaus High School - 2000	100%	510,000
East Nicolaus High School - 2014	100%	3,710,000
Live Oak Unified School District - 2004	100%	8,980,000
Live Oak Unified School District - 2016	100%	12,840,000
Franklin Elementary School - 2006	100%	1,748,520
Sutter High School - 2008	100%	18,510,294
Woodland Joint Unified School District - 1999	1.08%	179,164
Yuba Community College District	31.56%	50,355,907
Total Overlapping Tax and Assessment Debt		<u>\$ 123,210,350</u>

Notes:

- (1) Percentage of overlapping agency's assessed valuation located within the boundaries of the County.
- (2) Debt as of June 30, 2019

COUNTY OF SUTTER
Demographics and Economic Statistics (unaudited)
Last Ten Fiscal Years (in thousands)

Demographic and economic data for the last ten years are presented below.

(1) Year	(2) Population	(3), (4) Personal Income	Per Capita Personal Income	(5) School Enrollment	(6) Unemployment Rate
2010	94,765	3,283	34.6	20,466	19.3%
2011	95,111	3,398	35.7	20,652	20.5%
2012	95,113	3,381	35.6	21,110	19.1%
2013	95,721	3,546	37.0	21,170	17.4%
2014	96,036	3,681	38.3	21,390	15.1%
2015	96,390	3,913	40.6	21,459	13.3%
2016	96,614	4,013	41.5	21,693	12.0%
2017	96,919	4,116	42.5	22,633	11.2%
2018	97,238	4,221	43.4	23,690	9.3%
2019	97,490	4,329	44.4	24,813	9.6%

Detail of estimated population, as of January 1, 2019 (whole numbers):

(2) Incorporated Cities	
Live Oak	8,840
Yuba City	67,536
Total of Incorporated Cities	76,376
Total of Unincorporated Areas	21,114
Total Population	97,490

Notes:

- (1) Calendar year
- (2) Population as of January 1
- (3) Estimated amounts

Sources:

- (2) California Department of Finance
- (4) Bureau of Economic Analysis
- (5) California Department of Education
- (6) Employment Development Department Research Center

COUNTY OF SUTTER
Principal Employers (unaudited)
June 30, 2019 and June 30, 2010

The top ten employers in Sutter County for the fiscal years of 2010 and 2019 are presented below.

June 30, 2019

Company or Organization	Type of Business	Jobs	Percent of Total County Employment
Yuba City Unified School District	Education	1,410	3.05%
Sutter County	Government	1,012	2.19%
Legend Transportation, Inc	Transportation	650	1.40%
Sunsweet Grower's Inc	Fruit Processor	620	1.34%
City of Yuba City	Government	482	1.04%
Sysco Sacramento, Inc.	Food Distribution	405	0.87%
Walmart-Yuba City	Retail	402	0.87%
Sierra Gold Nurseries	Wholesale Plant Nursery	350	0.76%
Home Depot	Retail	300	0.65%
Valley Fine Foods	Wholesale Food	186	0.40%

June 30, 2010

Company or Organization	Type of Business	Jobs	Percent of Total County Employment
Fremont Medical Center	Medical	1,000 - 4,999	2.16% -10.80%
Yuba City Unified School District	Education	1,000 - 4,999	2.16% -10.80%
Sunsweet Grower's Inc	Fruit Processor	500 - 999	1.08% - 2.16%
Home Depot	Retail	250 - 499	0.54% - 1.08%
Sunset Moulding Co.	Construction Wholesale	250 - 499	0.54% - 1.08%
Sysco Sacramento, Inc.	Food Distribution	250 - 499	0.54% - 1.08%
Wal-Mart	Retail	250 - 499	0.54% - 1.08%
Holt of California	Retail	100 - 249	0.22% - 0.54%
Larry Geweke Ford	Automotive Retail	100 - 249	0.22% - 0.54%
Legend Transportation	Transportation	100 - 249	0.22% - 0.54%

Source:

Sutter County Economic Development Corporation

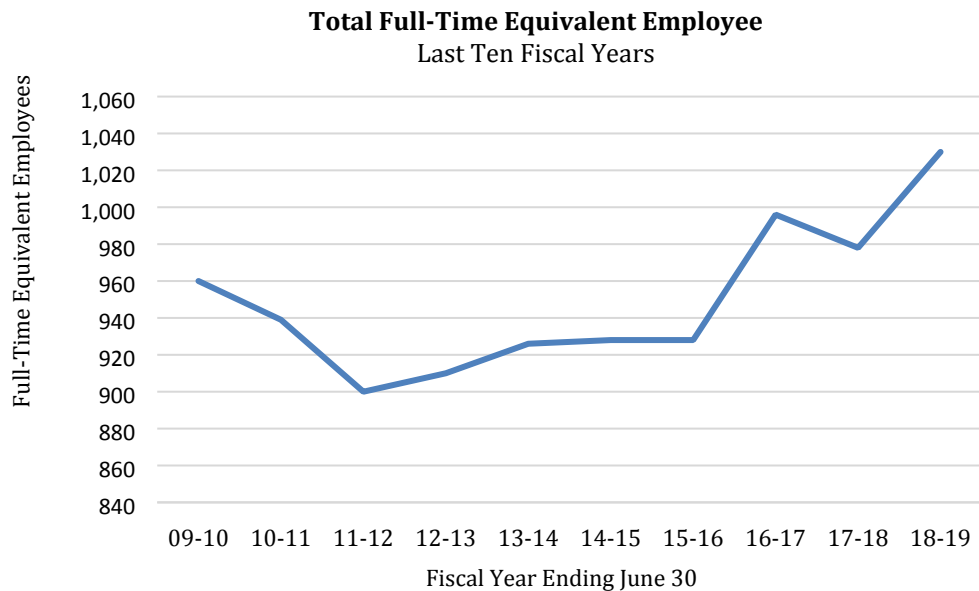
COUNTY OF SUTTER
County Employees by Function/Program (unaudited)
Last Ten Fiscal Years

The number of paid employees and actual full-time equivalent employees for the last ten fiscal years are presented below.

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Paid Employees (1)										
General government	197	175	175	173	178	166	156	159	169	182
Public protection	375	372	386	380	384	425	394	401	433	403
Public ways and facilities	31	26	27	28	28	25	23	26	27	28
Health and sanitation	321	298	302	310	313	319	318	339	339	470
Public assistance	150	157	164	168	188	209	220	233	275	252
Education	28	28	25	23	21	23	20	21	21	24
Recreation and culture	5	5	5	5	5	6	8	5	6	5
Total County employees	1,107	1,061	1,084	1,087	1,117	1,173	1,139	1,184	1,270	1,364
Actual full-time equivalent employees (2)										
General government	166	160	151	151	146	139	133	141	135	146
Public protection	337	332	311	319	316	325	320	331	321	315
Public ways and facilities	25	23	23	22	22	21	21	22	21	21
Health and sanitation	263	257	250	250	253	251	258	279	271	321
Public assistance	139	139	139	144	165	168	173	202	208	206
Education	26	24	22	20	20	20	19	17	18	17
Recreation and culture	4	4	4	4	4	4	4	4	4	4
Total County employees	960	939	900	910	926	928	928	996	978	1,030

Note:

- (1) Paid employees: Count of employees paid, including terminated employees. Employees with more than one job will be counted once for each job the employee was paid.
- (2) Actual full-time equivalent employees: Count of number of full-time equivalents paid. For full-time and part-time, the full-time equivalent (FTE) is equal to total amount of payroll checks issued in the fiscal year divided by the number of pay periods in the fiscal year.



COUNTY OF SUTTER
Operating Indicators by Function/Program (unaudited)
Last Ten Fiscal Years

Selected operating indicators for Sutter County for each of its core functions are provided below.

Function/Program	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Public protection:										
Fire:										
Fire emergency responses (1)	1,818	1,947	1,876	2,001	2,149	2,159	2,250	2,398	2,555	2,297
Sheriff:										
Calls for service	36,942	40,118	40,056	39,593	39,730	35,829	42,004	39,491	39,883	40,316
Numbers of bookings (1)	5,396	4,923	4,224	4,446	4,485	4,542	4,444	4,323	4,565	4,694
Probation:										
Juvenile referrals received	635	570	619	533	554	447	336	295	289	174
Adult cases supervised	946	951	949	968	1,076	1,159	1,067	1,074	1,068	1,053
Adult reports completed for court	947	975	948	1,386	1,418	1,088	1,049	924	1,174	1,571
Juvenile cases supervised	139	140	127	118	137	99	76	55	48	42
Juvenile Hall/Camp Singer bookings	196	150	150	152	149	129	98	114	83	55
Child support:										
Established orders for child support (3)	5,287	5,005	4,683	4,627	4,263	4,220	4,199	4,178	4,044	3,959
Health and sanitation:										
Behavioral Health:										
S-Y Behavioral Health clients served	6,491	6,929	5,965	5,930	5,987	6,250	6,511	6,781	6,056	5,676
Public assistance:										
CalFresh Households (2)	3,682	4,258	4,712	5,199	5,200	5,660	5,812	5,635	5,365	5,057
Medi-Cal Households (2)	8,166	8,195	8,765	10,181	15,181	16,944	17,609	16,728	16,859	16,774

Note:

- (1) Calendar year
- (2) October of Calendar year
- (3) Federal Fiscal Year

COUNTY OF SUTTER
Capital Assets Operating Indicators by Function/Program (unaudited)
Last Ten Fiscal Years

Operating indicators specific to capital assets for the last ten fiscal years are presented below.

Function/Program	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
General government:										
Land (acreage)	262.83	262.83	262.83	262.83	262.83	262.83	262.83	262.83	262.83	262.83
Buildings	16	16	16	16	16	16	16	16	16	16
Vehicles	29	28	27	27	27	27	30	31	36	33
Equipment	132	140	142	144	162	166	186	195	216	214
Public protection:										
Land (acreage)	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
Fire Stations	2	2	2	2	2	2	2	2	2	2
Jail Facilities	1	1	1	1	1	1	1	1	1	1
Vehicles	155	147	143	135	134	128	129	138	127	114
Fire Trucks	11	12	11	11	11	11	13	12	10	10
Equipment	216	225	237	240	259	352	387	402	420	414
Public ways & facilities:										
Land (acreage)	165.24	165.24	165.24	165.24	165.24	165.24	165.24	165.24	165.24	184.5
Bridges	7	7	7	7	7	7	7	7	7	7
Vehicles	34	35	35	36	38	38	42	39	39	33
Equipment	152	155	157	162	164	197	200	206	219	218
Health & sanitation:										
Vehicles	35	33	31	31	35	33	32	32	34	32
Equipment	36	40	42	42	54	54	65	69	71	66
Public assistance:										
Vehicles	31	31	29	28	29	28	28	28	29	29
Equipment	11	12	14	14	25	29	33	34	36	36
Education:										
Libraries	3	3	3	3	3	3	3	3	3	3
Vehicles	6	6	6	6	6	6	5	6	6	5
Equipment	5	5	5	5	7	7	13	14	14	14
Recreation & cultural:										
Vehicles	1	1	1	1	1	1	0	0	0	0
Equipment	1	1	2	2	2	2	9	9	11	11

Notes:

Buildings include those that are capitalized but exclude real property that is leased.



Glossary



Accounts payable – A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

Accounts receivable – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

Accrual basis of accounting – The recording of the financial effects of a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

Accumulated depreciation – A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

Active employees – Individuals employed at the end of the reporting or measurement period, as applicable.

Actuarial valuation – The determination, as of a point in time (the actuarial valuation date), of the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

Actuarial valuation date – The date as of which an actuarial valuation is performed.

Actuarially determined contribution – A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

Advance from other funds – A liability account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See **Due to other funds** and **Interfund receivable/payable**.

Advance to other funds – An asset account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See **Due from other funds** and **Interfund receivable/payable**.

Agency fund – A fund normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds.

Agent multiple-employer plan – Group of single-employer plans with pooled administrative and investment functions but separate actuarial valuations and contribution rates.

Amortization – The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

Annual OPEB cost – An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

Annual Required Contributions (ARC) – Term used in connection with other postemployment benefit plans to describe the amount an employer must contribute in a given year.

Appropriation – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

Assessed valuation – A valuation set upon real estate or other property by a government as a basis for levying taxes.

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 authority, 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.

Auditor's report – In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

Balance sheet – The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date in conformity with GAAP.

Basic Financial Statements (BFS) – The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: governmentwide financial statements, fund financial statements, and notes to the financial statements.

Basis of accounting – A term used to refer to when revenues, expenditures, expenses, and transfers, and the related assets and liabilities, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

Beneficial interest – The right to a portion of the benefits from donated resources pursuant to a split-interest agreement in which the donor enters into a trust or other legally enforceable agreement with characteristics that are equivalent to a split-interest agreement and transfers the resources to an intermediary.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

Budgetary control – The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Business-type activities – One of two classes of activities reported in the governmentwide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The activities are usually reported in enterprise funds.

Capital assets – Long-lived assets obtained or controlled as a result of past transactions, events, or circumstances. Capital assets include equipment, buildings, and improvements other than buildings; land; infrastructure; and intangible assets. In the private sector, these assets are referred to most often as property, plant and equipment, and intangible assets.

Capital expenditures – Expenditures resulting in the acquisition of or addition to the government’s general capital assets.

Capitalization policy – The criteria used by a government to determine which outlays should be reported as capital assets.

Capital lease – An agreement that conveys the right to use property, plant, or equipment, usually for a stated period of time. See **Lease-purchase agreements**.

Capital projects fund – A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Cash basis of accounting – A basis of accounting under which transactions are recognized only when cash is received or disbursed.

Cash with fiscal agent – An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

Certificate of achievement for excellence in financial reporting program – A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable CAFRs/Component Unit Financial Reports (CUFRs) and to provide technical assistance and peer recognition to the finance officers preparing them.

Change in the fair value of investments – The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

Closed amortization period – Term used in connection with the unfunded actuarial accrued liability associated with defined benefit pension and other postemployment benefit plans. A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period is initially 30 years on a closed basis, 29 years remain after the first year, 28 years after the second year, and so forth.

Collective deferred outflows of resources and deferred inflows of resources related to pensions – Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective net pension liability.

Collective net pension liability – The net pension liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.

Collective pension expense – Pension expense arising from certain changes in the collective net pension liability.

Collective total pension liability – The total pension liability for benefits provided through (a) a pension plan that is used to provide pensions to the employees of a primary government and its component units or (b) a pension plan in circumstances in which there is a special funding situation.

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.

Compensated absences – Absences, such as vacation, illness, and holidays, for which it is expected employees, will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation, or other long-term fringe benefits, such as group insurance and long-term disability pay.

Comprehensive Annual Financial Report (CAFR) – A CAFR is a financial report that encompasses all funds and component units of the government. It contains (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. It is the governmental unit’s official annual report and it also contains introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

Contingent liability – Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

Contribution deficiencies – The difference between the annual required contributions (ARC) of the employer(s), and the employer’s actual contributions in relation to the ARC.

Contributions – Additions to a pension plan’s fiduciary net position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.

Cost-of-living adjustments – Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

Cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) – A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

Covered payroll – Term used in connection with defined benefit pension and other postemployment benefit plans to describe all elements of annual compensation paid to active employees on which contributions to a plan are based.

Current financial resources measurement focus – Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

Debt service fund – A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Deferred charges – Expenditures that are not chargeable to the fiscal period in which they were made but that are carried as an asset on the balance sheet, pending amortization or other disposition (e.g., bond issuance costs). Deferred charges differ from prepaid items in that they usually extend over a long period of time (more than five years) and are not regularly recurring costs of operation.

Deficit – (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

Defined benefit OPEB plan – Plan having terms that specify the amount of benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums.)

Defined benefit pension plan – Pension plans that are used to provide defined benefit pensions.

Defined benefit pensions – Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation.

Depreciation – (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

Discount rate – A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Due from other funds – An asset account reflecting amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open accounts, not interfund loans.

Due to other funds – A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

Economic resources measurement focus – Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for governmentwide financial reporting. It is also used by business enterprises in the private sector.

Employer's contributions – Contributions made in relation to the annual required contributions of the employer (ARC). An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.

Encumbrances – Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

Enterprise fund – Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

Entry age actuarial cost method – A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the *normal cost*. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the *actuarial accrued liability*.

Exchange-like transaction – Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

Expenditures – Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service, and capital outlays, and intergovernmental grants, entitlement, and shared revenues.

Expenditure-driven grants – Government-mandated or voluntary non-exchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

Expenses – Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the entity's ongoing major or central operations.

External auditors – Independent auditors typically engaged to conduct an audit of a government's financial statements.

External investment pool – An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsor's reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

Fair value – The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fiduciary funds – The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds.

Financial resources – Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables or investments). Financial resources may also include inventories and prepaids (because they obviate the need to expend current available resources).

Fiscal agent – A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

Fund – A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

Fund balance – The difference between fund assets and fund liabilities of governmental and similar trust funds.

Fund financial statements – Basic financial statements presented on the basis of funds. Term used in contrast with *governmentwide financial statements*.

Fund type – Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

Funding policy – The program for the amounts and timing of contributions to be made by plan members, employer(s), and other contributing entities (for example, state government contributions to a local government plan) to provide the benefits specified by an OPEB plan.

General fund – The general fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

General revenues – All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax (e.g., property tax, sales tax, and transient occupancy tax). All other nontax revenues (including interest, grants, and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

Generally Accepted Accounting Principle (GAAP) – The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for state and local governments are set forth by Statement of Accounting Standards (SAS) No. 69, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles" in the Independent Auditor's Report*.

Government Finance Officers Association (GFOA) – An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of GAAP for state and local governments since its inception and has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946.

Governmental accounting – The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.

Governmental Accounting Standards Board (GASB) – The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

Governmental activities – Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

Governmental funds – Funds generally used to account for tax-supported activities. The five different types of governmental funds are as follows: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Governmentwide financial statements – Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic governmentwide financial statements: the statement of net position and the statement of activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Improvement – An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

Inactive employees – Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.

Indirect expenses – Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

Infrastructure – Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Interfund receivable/payable – Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

Interfund transfers – Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

Intermediary – The trustee, fiscal agent, government, or any other legal or natural person that is holding and administering donated resources pursuant to a split-interest agreement. An intermediary is not required to be a third party.

Internal service fund – A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

Irrevocable split-interest agreement – A split-interest agreement in which the donor has not reserved, or conferred to another person, the right to terminate the agreement at will and have the assets returned to the donor or a third party.

Joint venture – A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

Lapse – As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

Lead interest – A type of beneficial interest that confers the right to receive all or a portion of the benefits of resources during the term of a split-interest agreement.

Lease-purchase agreements – Contractual agreements that are termed leases, but that in substance are purchase contracts.

Legal level of budgetary control – The level at which spending in excess of budgeted amounts would be a violation of law.

Level of budgetary control – The level at which a government's management may not reallocate resources without special approval from the legislative body.

Level percentage of projected payroll amortization method – Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level.

Liabilities – Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

Life-contingent term – A term specifying that the termination of a split-interest agreement is contingent upon the occurrence of a specified event, commonly the death of either the donor or other lead interest beneficiary.

Loans receivable – An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

Major fund – A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues/expenditures, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

Management's Discussion and Analysis (MD&A) – A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the governments' financial activities.

Measurement focus – A way of presenting an entity's financial performance and position by considering which *resources* are measured (financial or economic) and *when* the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of governmentwide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

Measurement period – The period between the prior and the current measurement dates.

Modified accrual basis of accounting – The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

Multiple-employer defined benefit pension plan – A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.

Net investment in capital assets – One of three components of net position that must be reported in both governmentwide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition construction, or improvement of capital assets of the government.

Net OPEB obligation – In the context of defined benefit pension and other postemployment benefit plans, the cumulative difference between annual pension cost and the employer's contributions to the plan, including the pension/OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to pension-related/OPEB-related debt.

Net pension liability – The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan.

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.

Other financing sources – An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

Other financing uses – A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of other financing uses category is limited to items so classified by GAAP.

Other Postemployment Benefits (OPEB) – Benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as postemployment healthcare benefits paid in the period after employment (if any), regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits or termination payments for sick leave.

Overlapping debt – The proportionate share that property within a government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments receivable, which will be used wholly or in part for this purpose.

Pay-as-you-go – a method of financing a pension plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

Payroll growth rate – an actuarial assumption with respect to future increases in total covered payroll attributable to inflation; used in applying the level percentage of projected payroll amortization method.

Pension benefits – Retirement income and all other benefits, including disability benefits, death benefits, life insurance, and other ancillary benefits, except health care benefits, that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Postemployment healthcare benefits are considered other postemployment benefits, whether they are provided through a defined benefit pension plan or another type of plan.

Pension plans – Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.

Pensions – Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.

Period-certain term – A term specifying that the termination of a split-interest agreement occurs after a specified period. (For example, a number of years.)

Plan members – Individuals that are covered under the terms of a pension plan. Plan members generally include (a) employees in active service (active plan members) and (b) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).

Postemployment – The period after employment.

Postemployment benefit changes – Adjustments to the pension of an inactive employee.

Postemployment healthcare benefits – Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.

Projected benefit payments – All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.

Program revenues – Term used in connection with the governmentwide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

Projected benefit payments – All benefit estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.

Proprietary funds – Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Real rate of return – The rate of return on an investment after adjustment to eliminate inflation.

Rebatable arbitrage – A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

Remainder interest – A type of beneficial interest that confers the right to receive all or a portion of the resources remaining at the end of a split-interest agreement's term.

Reporting entity – The oversight unit and all of its component units, if any, that are combined in the CAFR/BFS.

Required supplementary information – Consists of statements, schedules, statistical data, or other information that according to the GASB is necessary to supplement, although not required to be a part of, the basic financial statements.

Restricted assets – Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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.

Restricted net position – A component of net position calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

Retained earnings – An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

Revenue bonds – Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

Risk management – All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

Self-insurance – A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

Service costs – The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

Service life – The average remaining years of service of all members of the retirement plan (both current employees and retirees).

Single audit – An audit performed in accordance with *Title 2 U.S. Code of Federal Regulations*. The Single Audit allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal agencies.

Special district – An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent on enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, cemetery districts, transit authorities, port authorities, and electric power authorities.

Special revenue fund – A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Split-interest agreement – An agreement in which the donor enters into a trust or other legally enforceable agreement (with characteristics that are equivalent to a split-interest agreement) under which the donor transfers resources to an intermediary to administer for the benefit of at least two beneficiaries, one of which could be a government.

Substantive plan – Terms of an OPEB plan as understood by the employer(s) and plan members.

Tax and Revenue Anticipation Notes (TRAN) – Notes issued in anticipation of the collection of taxes and revenues, usually retrievable only from tax collections, and frequently only from the proceeds of the tax and revenue levy whose collection they anticipate.

Termination benefits – Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.

Total pension liability – The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

Trust funds – Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other 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 only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Unconditional benefit – A right belonging to the government that cannot be taken away without the government's consent, such as an unconditional beneficial interest.

Unearned revenues – Resource inflows that do not yet meet the criteria for revenue recognition. In governmental funds, earned amounts also are reported as unearned revenue until they are available to liquidate liabilities of the current period.

Unmodified opinion – An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

Unrestricted net position – That portion of net position that is neither restricted nor invested in capital assets (net of related debt).

Variance power – The unilateral power to redirect the benefit of the transferred resources to another beneficiary, overriding the donor's instructions. This transfer would occur without the approval of the donor, specified beneficiaries, or any other interested party.

