

**COUNTY OF LASSEN  
SUSANVILLE, CALIFORNIA**

**BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2020**

**COUNTY OF LASSEN  
BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Lassen, California (the "County") as of and for the year ended June 30, 2020, 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.

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## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Lassen, California, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-17, budgetary comparison information on pages 80-87, proportionate share of net pension liability - cost-sharing plan on page 88, schedule of contributions - cost-sharing plan on page 89, schedule of changes in net pension liability and related ratios - agent multiple employer plan on page 90, schedule of contributions - agent multiple employer plan on page 91, schedule of changes in net OPEB liability and related ratios - single employer plan on page 92, and the schedule of contributions - other postemployment benefits on page 93, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Price Paige & Company*

Clovis, California  
September 30, 2021

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COUNTY OF LASSEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

FINANCIAL HIGHLIGHTS

Government-Wide Financial Analysis:

- The net position of the County at the close of the 2019/20 fiscal year was \$66,704,568. Of the net position, \$51,000,405 is restricted for a specific purpose (*restricted net position*), and \$57,713,184 is the net investment in capital assets, net of related debt. This leaves an unrestricted net position of (\$42,009,021), compared to an unrestricted net position in the prior year of (\$37,429,063). The unrestricted net position is negative due to implementation of GASB Statement No. 68 and GASB 75, a change in accounting method, which requires recording a future Net Pension Liability and Net OPEB Liability. The government's total net position increased by \$6,794,337 in comparison with prior year.
- The County's total non-current liabilities changed in comparison with the prior year as follows:

▪ Compensated absences	\$ (63,192)
▪ Claims & judgments payable	708,952
▪ Capital lease	159,989
▪ Net OPEB Liability	656,475
▪ Net pension liability	<u>3,669,071</u>
Total increase of	<u>\$ 5,131,295</u>

The County's investment in capital assets increased by \$7,595,336 due to depreciation of assets.

Financial Analysis of County's Funds:

- County governmental funds reported combined fund balance of \$56,110,877, an increase of \$5,321,249 in comparison with the prior year.
- Of the \$50,789,628, \$8,181,159 is considered to be **nonspendable** - legally or contractually required to be maintained intact; \$41,500,885 is considered to be **restricted** - constrained for a specific purpose by an outside party and is legally enforceable; \$1,401,852 is considered formally **committed** by the Board of Supervisors (by resolution); \$3,383,696 is considered **assigned** by the Board of Supervisors or delegated representative in an informal manner (board minutes, budget, purchase order, contract, etc.); and \$1,643,285 is considered **unassigned**.
- The County General Fund had \$1,286,017 in assigned fund balance and \$2,109,543 in unassigned fund balance, for a total of \$3,395,560, an equivalent of 35.32% of the total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



COUNTY OF LASSEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

**OVERVIEW OF THE FINANCIAL STATEMENTS** (continued)

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation. The business-type activities of the County include the County Service Area #1 (Honey Lake TV).

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

COUNTY OF LASSEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

**OVERVIEW OF THE FINANCIAL STATEMENTS** (continued)

*Proprietary funds* are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the County Service Area #1 (Honey Lake TV) and county business parks, and *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet maintenance and information technology systems functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise fund operations are not considered to be major funds of the County. The County's internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

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

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

**Required Supplementary Information** is presented concerning the County's major funds' budgetary schedules. The County adopts an annual appropriated budget for its funds. A budgetary comparison schedule has been provided for the major funds to demonstrate compliance with this budget. Additionally, schedules related to the County's Pension and OPEB figures are presented as well.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$66,704,568, at the close of the most recent fiscal year.

The largest portion of the County's Government Activities net position, \$57,713,184 reflects its investment in capital assets (e.g., land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. On June 30, 2020, the County had \$3,658,166 debt related to capital assets.

An additional portion of the County's Government Activities net position, \$51,000,405, represents resources that are subject to external restrictions on how they may be used. At the end of the current fiscal year, the County reported positive balances in two of the three categories of net position.

**COUNTY OF LASSEN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

The County's Governmental Activities Net Position increased by \$6,783,504 during the current fiscal year. The net increase in net position includes the increase in capital assets, changes in pension net liabilities, change in OPEB liabilities, general government costs exceeding earned revenues, and various changes in restricted funds.

In the County's Business-type Activities, the County reported unrestricted net position of \$1,933, a decrease of (\$5,343).

During the current fiscal year, the County had an overall increase in net position of \$6,794,337. While the net investments in capital assets increased by \$7,595,336, the restricted net position increased by \$3,778,959 and the unrestricted net position decreased by (\$4,579,958).

**Statement of Net Position**  
**June 30, 2020**

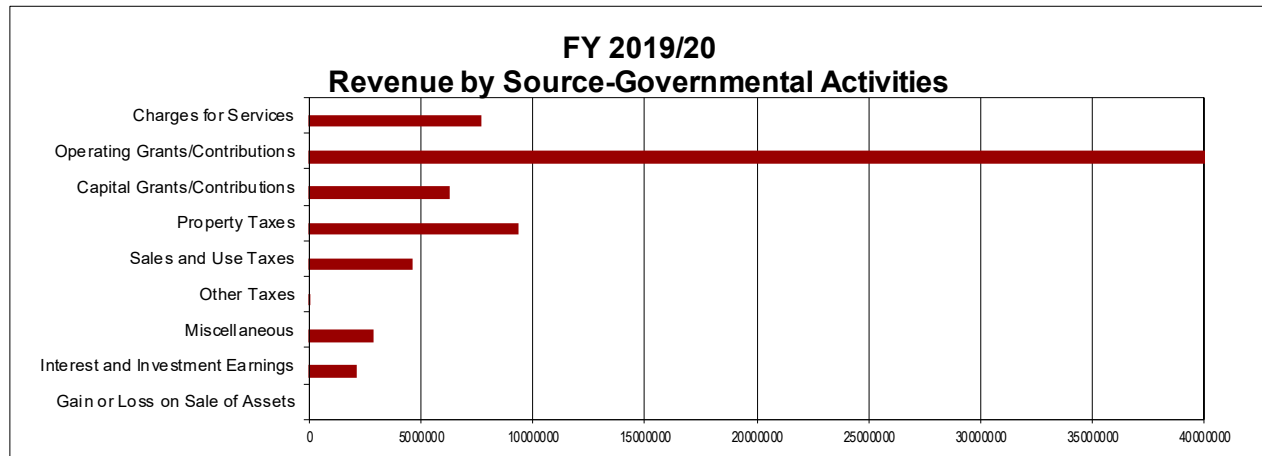
	Governmental Activities		Business-Type Activities		Totals		Variance (%)
	2020	2019	2020	2019	2020	2019	
Current and Other Assets	\$ 61,626,508	\$ 56,253,256	\$ 1,933	\$ 7,276	\$ 61,628,441	\$ 56,260,532	9.54%
Long-Term Receivables	291,182	312,150	-	-	291,182	312,150	-6.72%
Capital Assets	61,307,465	53,568,316	63,885	47,709	61,371,350	53,616,025	14.46%
Total Assets	<u>123,225,155</u>	<u>110,133,722</u>	<u>65,818</u>	<u>54,985</u>	<u>123,290,973</u>	<u>110,188,707</u>	11.89%
Deferred outflows of resources	9,310,038	9,126,549	-	-	9,310,038	9,126,549	2.01%
Current and Other Liabilities	9,712,792	8,180,875	-	-	9,712,792	8,180,875	18.73%
Long-Term Liabilities	54,756,558	50,092,334	-	-	54,756,558	50,092,334	9.31%
Total Liabilities	<u>64,469,350</u>	<u>58,273,209</u>	<u>-</u>	<u>-</u>	<u>64,469,350</u>	<u>58,273,209</u>	10.63%
Deferred inflows of resources	1,427,093	1,131,816	-	-	1,427,093	1,131,816	26.09%
Net Investment in Capital Assets	57,649,299	50,070,139	63,885	47,709	57,713,184	50,117,848	15.15%
Restricted	51,000,405	47,221,446	-	-	51,000,405	47,221,446	8.00%
Unrestricted	(42,010,954)	(37,436,339)	1,933	7,276	(42,009,021)	(37,429,063)	12.24%
Total Net Position	<u>\$ 66,638,750</u>	<u>\$ 59,855,246</u>	<u>\$ 65,818</u>	<u>\$ 54,985</u>	<u>\$ 66,704,568</u>	<u>\$ 59,910,231</u>	11.34%

**COUNTY OF LASSEN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

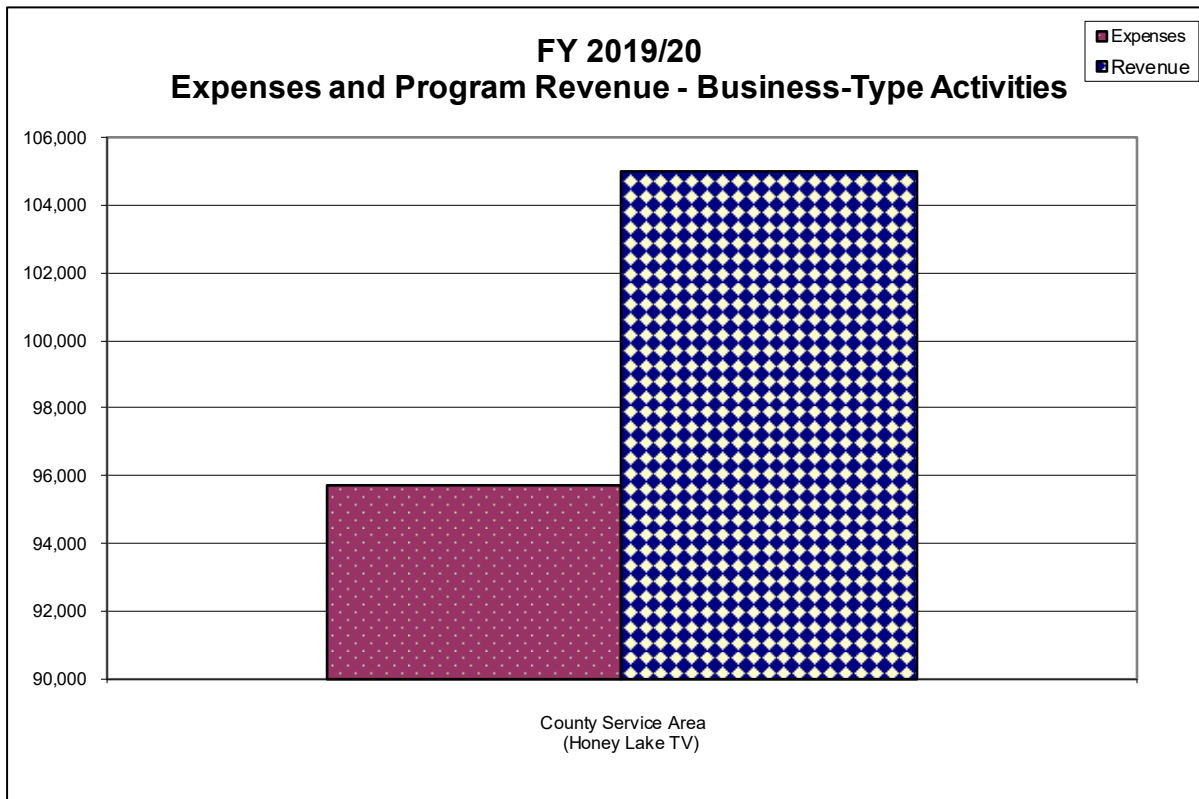
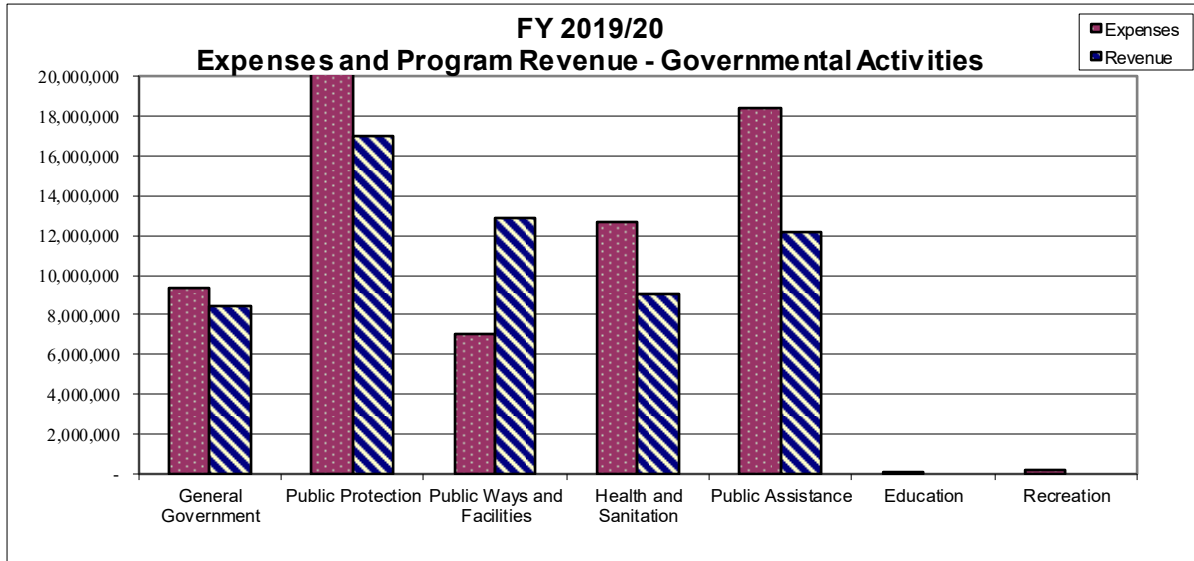
The following table indicates the changes in net position for governmental and business-type activities:

<b>Statement of Activities</b>							
<b>For the year ended June 30, 2020</b>							
	Governmental Activities		Business-Type Activities		Totals		
	2020	2019	2020	2019	2020	2019	(%)
<b>Revenues</b>							
Charges for Services	\$ 7,670,290	\$ 7,731,893	\$ 104,990	\$ 99,212	\$ 7,775,280	\$ 7,831,105	-0.7%
Operating Grants/Contributions	45,627,245	41,929,838	-	-	45,627,245	41,929,838	8.8%
Capital Grants/Contributions	6,249,495	2,883,992	-	-	6,249,495	2,883,992	116.7%
Property Taxes	9,380,911	9,029,051	-	-	9,380,911	9,029,051	3.9%
Sales and Use Taxes	4,655,795	4,699,074	-	-	4,655,795	4,699,074	-0.9%
Other Taxes	53,740	84,044	-	-	53,740	84,044	-36.1%
Miscellaneous	2,909,849	2,524,932	1,281	-	2,911,130	2,524,932	15.3%
Interest and Investment Earnings	2,149,946	1,882,662	-	-	2,149,946	1,882,662	14.2%
Gain or Loss on Sale of Assets	-	(6,517)	249	965	249	(5,552)	-104.5%
Total Revenues	<u>78,697,271</u>	<u>70,758,969</u>	<u>106,520</u>	<u>100,177</u>	<u>78,803,791</u>	<u>70,859,146</u>	11.2%
<b>Expenses</b>							
General Government	9,321,437	8,840,232	-	-	9,321,437	8,840,232	5.4%
Public Protection	23,978,009	25,947,024	-	-	23,978,009	25,947,024	-7.6%
Public Ways and Facilities	7,086,764	6,740,692	-	-	7,086,764	6,740,692	5.1%
Health and Sanitation	12,670,835	12,755,135	-	-	12,670,835	12,755,135	-0.7%
Public Assistance	18,414,927	14,921,768	-	-	18,414,927	14,921,768	23.4%
Education	98,179	72,259	-	-	98,179	72,259	35.9%
Recreation	203,689	206,046	-	-	203,689	206,046	-1.1%
Interest on long-term debt	139,927	146,092	-	-	139,927	146,092	-4.2%
County Service Area (Honey Lake TV)	-	-	95,687	102,687	95,687	102,687	-6.8%
Total Expenses	<u>71,913,767</u>	<u>69,629,248</u>	<u>95,687</u>	<u>102,687</u>	<u>72,009,454</u>	<u>69,731,935</u>	3.3%
Excess (Deficiency) of Revenues Over (Under) Expenses	6,783,504	1,129,721	10,833	(2,510)	6,794,337	1,127,211	502.8%
Transfers	-	-	-	-	-	-	0.0%
Change in Net Position	<u>6,783,504</u>	<u>1,129,721</u>	<u>10,833</u>	<u>(2,510)</u>	<u>6,794,337</u>	<u>1,127,211</u>	502.8%
Net Position - Beginning	59,855,246	58,725,525	54,985	57,495	59,910,231	58,783,020	1.9%
Net Position - Ending	<u>\$ 66,638,750</u>	<u>\$ 59,855,246</u>	<u>\$ 65,818</u>	<u>\$ 54,985</u>	<u>\$ 66,704,568</u>	<u>\$ 59,910,231</u>	11.3%



COUNTY OF LASSEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)



**COUNTY OF LASSEN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

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

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

**Net Changes in Fund Balance**  
**Governmental Funds**

	2020	2019	Increase (Decrease)	
			Amount	Percent
Fund Balance - Beginning of Year	\$ 50,789,628	\$ 46,080,346	\$ 4,709,282	10.22%
Revenues	79,449,057	69,542,121	9,906,936	14.25%
Expenditures	(74,528,153)	(64,836,772)	(9,691,381)	14.95%
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	4,920,904	4,705,349	215,555	4.58%
Other Financing Sources (Uses)	400,345	3,933	396,412	10079.13%
Fund Balance - End of Year	\$ 56,110,877	\$ 50,789,628	\$ 5,321,249	10.48%

At June 30, 2020, the County's governmental funds reported total fund balances of \$56,110,877, an increase of \$5,321,249 in comparison with the prior year's total ending fund balance. The components of total fund balance are as follows (for more information, see Note 9 – Fund Balances):

- *Non-spendable fund balance*, \$8,181,159, represents amounts that are not in spendable form, or are legally or contractually required to be maintained intact, and are made up of advances and deposits of \$7,091,071 and roads inventory of \$1,090,088.
- *Restricted fund balance*, \$41,500,885, consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations or enabling legislation. See the table in Note 9 for schedule of restricted funds.
- *Committed fund balance*, \$1,401,852; this would be amounts for specific purposes determined by the Board of Supervisors by resolution.
- *Assigned fund balance*, \$3,383,696, represents amounts designated by the Board of Supervisors or delegated representative in an informal manner (board minutes, budget, purchase order, contract, etc.).
- *Unassigned fund balance*, \$1,643,285, represents the residual classification for the County's General Fund of \$2,109,543 as well as governmental funds where expenditures exceeded the available (or allowable) funds in their respective special revenue funds and capital projects funds, including the DA Contracts Fund (\$1,698), Natural Resources Fund (\$3,587), Fair Fund (\$671), Coronavirus Relief Fund (\$320,920), CCF Equipment Replacement Fund (\$115,649), and the Courthouse Construction Fund (\$23,733).

Approximately 85.42%, or \$47,929,718, of the total fund balance is available to meet the County's current and future needs. With the approval of the Board of Supervisors, County management can earmark a portion of the fund balance to a particular function, project or activity, and can be earmarked for purposes beyond the current year, within the constraints applied to the various categories of the fund balance. With the exception of the non-spendable portion, fund balances are available for appropriation at any time.

**COUNTY OF LASSEN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)**

**General Fund:** The General Fund is the main operating fund of the County. At June 30, 2020, the spendable fund balance consisted of unassigned totaling \$2,109,543, assigned totaling \$1,286,017 and restricted totaling \$926,893. The County's General Reserve, \$1,488,401, is included in the unassigned fund balance. Including \$7,091,071 in non-spendable funds, the total fund balance reached \$11,413,524, an increase of 24.54% or \$2,249,209 from the prior year.

As a measure of the General Fund's liquidity, it may be useful to compare both spendable and assigned and total fund balance to total fund expenditures. Spendable fund balances (restricted, assigned and unassigned) represent 23.42% of total General Fund expenditures and transfers out (an decrease of 5.15%); while the total fund balance represents 58.81% of total General Fund expenditures and transfers out.

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

**Other Government Funds:** The other major governmental funds' fund balances changed as follows: Road (\$448,763), Community Development \$71,959, Welfare Administration \$1,640,674, Welfare Assistance \$47,202, Health and Human Services \$462,625, Public Safety \$405,422, County Local Revenue \$1,034,732, and Courthouse Square Construction Fund (\$23,462). The non-major governmental funds changed by (\$118,349).

The following County's governmental funds had six deficit fund balances, DA Contracts Fund (\$1,698), Natural Resources Fund (\$3,587), Fair Fund (\$671), Coronavirus Relief Fund (\$320,920), CCF Equipment Replacement Fund (\$115,649), and the Courthouse Square Construction Fund (\$23,733).

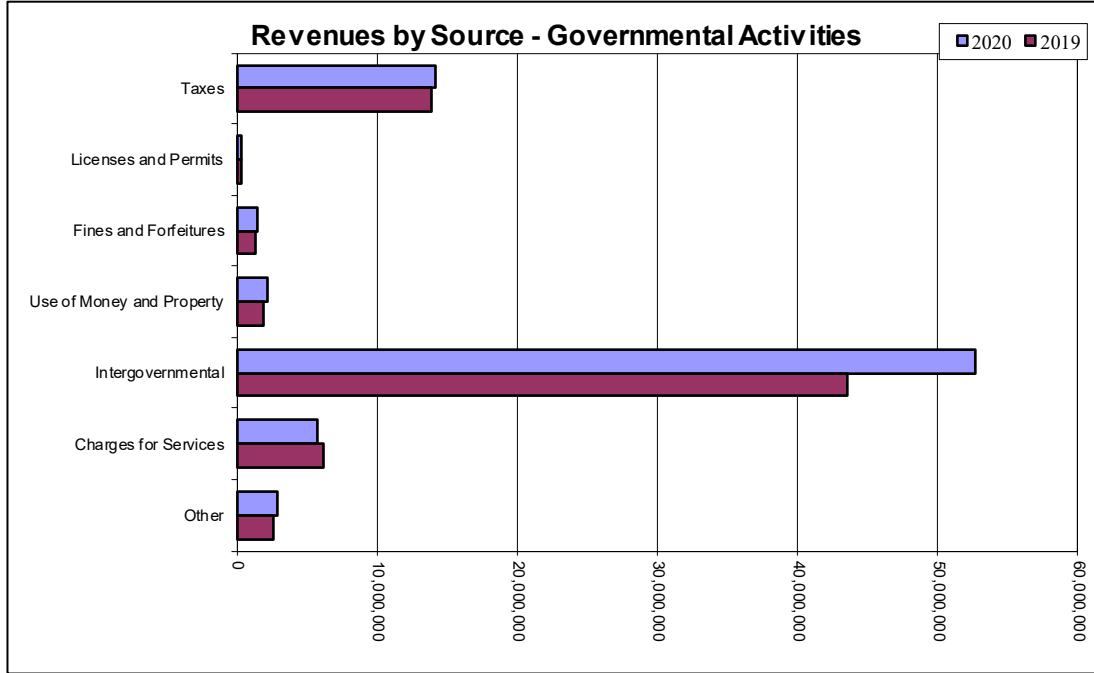
The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year:

<b>Revenues Classified by Source Governmental Funds</b>						
	2020		2019		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Revenue by Source:						
Taxes	\$ 14,090,446	17.74%	\$ 13,812,169	19.86%	\$ 278,277	2.01%
Licenses and Permits	344,749	0.43%	288,723	0.42%	56,026	19.40%
Fines and Forfeitures	1,493,656	1.88%	1,326,704	1.91%	166,952	12.58%
Use of Money and Property	2,190,901	2.76%	1,942,513	2.79%	248,388	12.79%
Intergovernmental	52,661,332	66.28%	43,554,725	62.63%	9,106,607	20.91%
Charges for Services	5,758,124	7.25%	6,092,355	8.76%	(334,231)	-5.49%
Other	2,909,849	3.66%	2,524,932	3.63%	384,917	15.24%
Total	<u>\$ 79,449,057</u>	<u>100.00%</u>	<u>\$ 69,542,121</u>	<u>100.00%</u>	<u>\$ 9,906,936</u>	<u>14.25%</u>

**COUNTY OF LASSEN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)**

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



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

**Expenditures Classified by Function**  
**Governmental Funds**

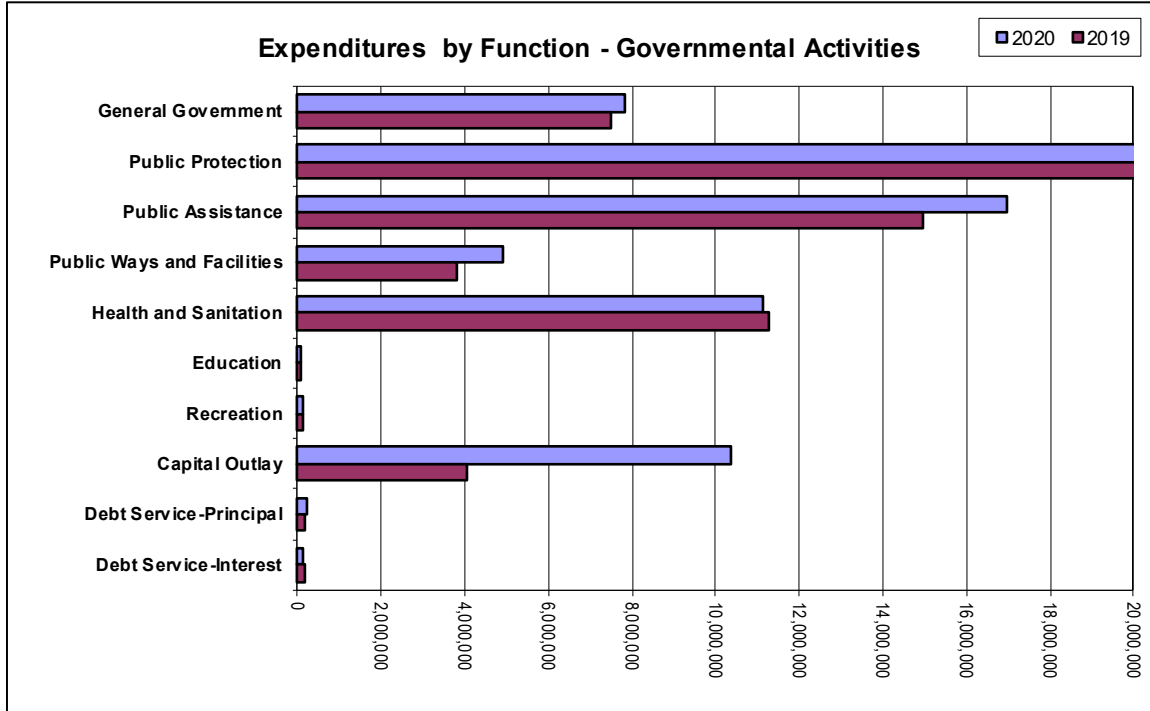
	2020		2019		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Expenditures by Function:						
General Government	\$ 7,823,317	10.50%	\$ 7,509,157	11.58%	\$ 314,160	4.18%
Public Protection	22,831,618	30.63%	22,698,995	35.01%	132,623	0.58%
Public Assistance	16,952,513	22.75%	14,975,723	23.10%	1,976,790	13.20%
Public Ways and Facilities	4,897,288	6.57%	3,827,094	5.90%	1,070,194	27.96%
Health and Sanitation	11,101,340	14.90%	11,277,465	17.39%	(176,125)	-1.56%
Education	72,569	0.10%	71,676	0.11%	893	1.25%
Recreation	121,695	0.16%	113,896	0.18%	7,799	6.85%
Capital Outlay	10,347,530	13.88%	4,062,552	6.27%	6,284,978	154.71%
Debt Service-Principal	240,356	0.32%	154,122	0.00%	86,234	55.95%
Debt Service-Interest	139,927	0.19%	146,092	0.23%	(6,165)	-4.22%
<b>Total</b>	<b>\$ 74,528,153</b>	<b>100.00%</b>	<b>\$ 64,836,772</b>	<b>99.76%</b>	<b>\$ 9,691,381</b>	<b>14.95%</b>



**COUNTY OF LASSEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)**

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



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

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

	2020	2019	Increase (Decrease)	
			Amount	Percent
Transfers In	\$ 21,390,277	\$ 22,273,642	\$ (883,365)	-3.97%
Transfers Out	(21,390,277)	(22,273,642)	883,365	3.97%
Net Financing Sources (Uses)	\$ -	\$ -	\$ -	0.00%

**COUNTY OF LASSEN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)**

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

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

**Net Changes in Net Position**  
**Enterprise Funds**

	2020	2019	Increase (Decrease)	
			Amount	Percent
Total Net Position - Beginning	\$ 54,985	\$ 57,495	\$ (2,510)	-4.37%
Operating Revenues	106,271	99,212	7,059	7.12%
Operating Expenditures	(95,687)	(102,687)	7,000	-6.82%
Operating Income (Loss)	10,584	(3,475)	14,059	-404.58%
Non-Operating Revenues (Expenses)	249	965	(716)	-74.20%
Transfers In/Out	-	-	-	0.00%
Change Net Position	10,833	(2,510)	13,343	-531.59%
Fund Balance - Ending	\$ 65,818	\$ 54,985	\$ 10,833	19.70%

The net position of the enterprise fund increased \$10,833. Operating revenues increased 7.12% while operating expenses decreased by (6.82%).

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

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

	2020	2019	Increase (Decrease)	
			Amount	Percent
Fund Balance - Beginning of Year	\$ 2,303,830	\$ 1,978,786	\$ 325,044	16.43%
Revenues	1,380,929	1,455,765	(74,836)	-5.14%
Expenditures	(1,935,400)	(1,195,498)	(739,902)	61.89%
Operating Income (Loss)	(554,471)	260,267	(814,738)	-313.04%
Non-Operating Revenues (Expenses)	68,433	64,777	3,656	5.64%
Change Net Position	(486,038)	325,044	(811,082)	-249.53%
Fund Balance - Ending	\$ 1,817,792	\$ 2,303,830	\$ (486,038)	-21.10%

Unrestricted net position of the internal service funds at June 30, 2020 was \$768,340. Net investment in capital assets was \$1,049,452.

**COUNTY OF LASSEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

Differences between the General Fund original budget and the final amended budget resulted in a projected \$71,239 net increase in fund balance.

Even with these adjustments, actual expenditures and transfers were \$2,953,552 below final budgeted appropriation amounts. Resources available for appropriation were \$228,993 over the final budgeted resource.

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

**Budgetary Comparison  
General Fund**

	Original Budget	Final Budget	Net Change	
			Amount	Percent
Total Revenues	\$ 19,143,885	\$ 19,951,247	\$ 807,362	4.22%
Total Expenditures	(11,790,640)	(12,535,640)	(745,000)	6.32%
Other Financing Sources (Uses)	(8,357,820)	(8,348,943)	8,877	-0.11%
Net Change in Fund Balances	<u>\$ (1,004,575)</u>	<u>\$ (933,336)</u>	<u>\$ 71,239</u>	<u>-7.09%</u>

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

**Budgetary Comparison  
General Fund**

	Final Budget	Actual Amounts	Net Change	
			Amount	Percent
Total Revenues	\$ 19,951,247	\$ 20,180,240	\$ 228,993	1.15%
Total Expenditures	(12,535,640)	(9,613,308)	2,922,332	-23.31%
Other Financing Sources (Uses)	(8,348,943)	(8,317,723)	31,220	-0.37%
Net Change in Fund Balances	<u>\$ (933,336)</u>	<u>\$ 2,249,209</u>	<u>\$ 3,182,545</u>	<u>-340.99%</u>

**COUNTY OF LASSEN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

**CAPITAL ASSETS**

The County's total investment in capital assets as of June 30, 2020 amounted to \$57,713,184 net of accumulated depreciation and related debt. This investment in a broad range of capital assets includes land, infrastructure (roads and bridges), structures and improvements, and equipment. In June 2015, the County entered into a Capital Lease for the amount of the \$4,080,000, which is securitized by the juvenile hall building. The balance as of June 30, 2020 was \$3,337,890.

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

	<b>Capital Assets</b>					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	Activities	Activities
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Land	\$ 2,575,419	\$ 2,575,419	\$ -	\$ -	\$ 2,575,419	\$ 2,575,419
Structures and Improvements	27,150,059	26,731,489	-	-	27,150,059	26,731,489
Equipment	20,669,598	18,512,298	481,318	440,868	21,150,916	18,953,166
Infrastructure	74,074,850	74,074,850	-	-	74,074,850	74,074,850
Construction in Progress	17,762,301	8,193,600	-	-	17,762,301	8,193,600
Total	142,232,227	130,087,656	481,318	440,868	142,713,545	130,528,524
Accumulated Depreciation	(80,924,762)	(76,519,340)	(417,433)	(393,159)	(81,342,195)	(76,912,499)
Net Capital Assets	<u>\$ 61,307,465</u>	<u>\$ 53,568,316</u>	<u>\$ 63,885</u>	<u>\$ 47,709</u>	<u>\$ 61,371,350</u>	<u>53,616,025</u>

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

	Additions	Retirements (Net)	Transfers	Prior Year Adjustments	Current Year Depreciation	Net Change
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in Progress	9,846,450	-	(277,749)	-	-	9,568,701
Infrastructure	-	-	-	-	(2,447,358)	(2,447,358)
Structures and Improvements	418,570	-	-	-	(791,738)	(373,168)
Equipment	2,002,772	-	277,749	-	(1,289,547)	990,974
Totals	<u>\$ 12,267,792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,528,643)</u>	<u>\$ 7,739,149</u>

**LONG-TERM LIABILITIES**

The long-term liabilities of the County include liabilities for compensated absences, insurance claims, capital leases and net pension liability. At June 30, 2020, the County had total long-term liabilities of \$61,697,005, of which \$3,529,048 will be due within one year, and \$58,167,957 will be due beyond one year.

**REQUEST FOR INFORMATION**

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

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## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**COUNTY OF LASSEN**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 44,817,373	\$ 1,933	\$ 44,819,306
Imprest cash	15,882	-	15,882
Deposits with others	7,091,071	-	7,091,071
Interest receivable	412,017	-	412,017
Accounts receivable	226,155	-	226,155
Due from other governmental entities	7,973,922	-	7,973,922
Inventory	1,090,088	-	1,090,088
Long-term receivables, net of allowances	291,182	-	291,182
Capital assets:			
Nondepreciable	20,337,720	-	20,337,720
Depreciable, net	40,969,745	63,885	41,033,630
Total assets	<u>123,225,155</u>	<u>65,818</u>	<u>123,290,973</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows from pensions	8,021,210	-	8,021,210
Deferred outflows from OPEB	1,288,828	-	1,288,828
Total deferred outflows of resources	<u>9,310,038</u>	<u>-</u>	<u>9,310,038</u>
<b>LIABILITIES</b>			
Accounts payable	801,655	-	801,655
Salaries and benefits payable	1,039,045	-	1,039,045
Due to other governmental entities	84,096	-	84,096
Unearned revenue	847,549	-	847,549
Capital lease - due within one year	246,767	-	246,767
Compensated absences - due within one year	943,421	-	943,421
Claims and judgment payable - due within one year	2,338,860	-	2,338,860
Noncurrent liabilities:			
Capital lease - due in more than one year	3,411,399	-	3,411,399
Compensated absences - due in more than one year	314,473	-	314,473
Claims and judgment payable - due in more than one year	2,338,860	-	2,338,860
Net pension liability	49,997,018	-	49,997,018
Net OPEB liability	2,106,207	-	2,106,207
Total liabilities	<u>64,469,350</u>	<u>-</u>	<u>64,469,350</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows from pensions	1,166,477	-	1,166,477
Deferred inflows from OPEB	260,616	-	260,616
Total deferred inflows of resources	<u>1,427,093</u>	<u>-</u>	<u>1,427,093</u>
<b>NET POSITION</b>			
Net investment in capital assets	57,649,299	63,885	57,713,184
Restricted	51,000,405	-	51,000,405
Unrestricted	(42,010,954)	1,933	(42,009,021)
Total net position	<u>\$ 66,638,750</u>	<u>\$ 65,818</u>	<u>\$ 66,704,568</u>

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



**COUNTY OF LASSEN**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total
Primary Government:								
Governmental activities:								
General government	\$ 9,321,437	\$ 4,706,053	\$ 3,342,272	\$ 382,860	\$ 8,431,185	\$ (890,252)	\$ -	\$ (890,252)
Public protection	23,978,009	1,221,349	15,783,572	-	17,004,921	(6,973,088)	-	(6,973,088)
Public ways and facilities	7,086,764	40,817	7,006,837	5,866,635	12,914,289	5,827,525	-	5,827,525
Health and sanitation	12,670,835	1,185,110	7,826,881	-	9,011,991	(3,658,844)	-	(3,658,844)
Public assistance	18,414,927	516,961	11,656,547	-	12,173,508	(6,241,419)	-	(6,241,419)
Education	98,179	-	-	-	-	(98,179)	-	(98,179)
Recreation and culture	203,689	-	11,136	-	11,136	(192,553)	-	(192,553)
Interest on long-term debt	139,927	-	-	-	-	(139,927)	-	(139,927)
Total governmental activities	71,913,767	7,670,290	45,627,245	6,249,495	59,547,030	(12,366,737)	-	(12,366,737)
Business-type activities:								
County service area (Honey Lake TV)	95,687	104,990	-	-	104,990	-	9,303	9,303
Total business-type activities	95,687	104,990	-	-	104,990	-	9,303	9,303
Total primary government	\$ 72,009,454	\$ 7,775,280	\$ 45,627,245	\$ 6,249,495	\$ 59,652,020	(12,366,737)	9,303	(12,357,434)
General revenues:								
Taxes:								
Property taxes						9,380,911	-	9,380,911
Sales and use taxes						4,655,795	-	4,655,795
Other taxes						53,740	-	53,740
Miscellaneous						2,909,849	1,281	2,911,130
Unrestricted interest and investment earnings						2,149,946	249	2,150,195
Total general revenues and transfers						19,150,241	1,530	19,151,771
Change in net position						6,783,504	10,833	6,794,337
Net position - beginning of year						59,855,246	54,985	59,910,231
Net position - end of year						\$ 66,638,750	\$ 65,818	\$ 66,704,568

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

## FUND FINANCIAL STATEMENTS

**COUNTY OF LASSEN**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

		Special Revenue Funds			
	General	Road	Community Development	Welfare Admin.	Welfare Assistance
<b>ASSETS</b>					
Cash and investments	\$ 3,276,897	\$ 2,718,128	\$ 1,947,679	\$ 5,550,372	\$ 7,132,490
Imprest cash	-	100	-	-	-
Deposits with others	7,091,071	-	-	-	-
Due from other governmental entities	561,048	1,883,728	-	439,429	446,939
Due from other funds	321,566	-	-	-	-
Interest receivable	412,017	-	-	-	-
Accounts receivable	163,106	-	16,906	-	-
Inventory	-	1,090,088	-	-	-
Long-term receivables, net of allowances	-	-	291,182	-	-
Total assets	<u>\$ 11,825,705</u>	<u>\$ 5,692,044</u>	<u>\$ 2,255,767</u>	<u>\$ 5,989,801</u>	<u>\$ 7,579,429</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 10,198	\$ 466,507	\$ -	\$ -	\$ -
Salaries and benefits payable	208,169	77,856	-	127,430	-
Due to other governmental entities	31,785	-	-	-	-
Due to other funds	45,353	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>295,505</u>	<u>544,363</u>	<u>-</u>	<u>127,430</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	116,676	-	-	439,429	-
Unavailable revenue - loans	-	-	308,088	-	-
Total deferred inflows of resources	<u>116,676</u>	<u>-</u>	<u>308,088</u>	<u>439,429</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable:					
Deposits	7,091,071	-	-	-	-
Inventory	-	1,090,088	-	-	-
Restricted	926,893	4,057,593	1,947,679	5,422,942	7,579,429
Committed	-	-	-	-	-
Assigned	1,286,017	-	-	-	-
Unassigned	<u>2,109,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>11,413,524</u>	<u>5,147,681</u>	<u>1,947,679</u>	<u>5,422,942</u>	<u>7,579,429</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 11,825,705</u>	<u>\$ 5,692,044</u>	<u>\$ 2,255,767</u>	<u>\$ 5,989,801</u>	<u>\$ 7,579,429</u>

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

**COUNTY OF LASSEN**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**  
(Continued)

Special Revenue Funds			Capital Projects Fund		
Health and Human Services	Public Safety	County Local Revenue	Courthouse Square Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ 7,021,958	\$ 786,500	\$ 2,856,204	\$ 769,345	\$ 10,866,284	\$ 42,925,857
5,216	10,207	-	-	359	15,882
-	-	-	-	-	7,091,071
1,013,043	437,611	1,344,522	30,138	1,817,464	7,973,922
-	495,129	-	45,353	-	862,048
-	-	-	-	-	412,017
-	-	-	-	46,143	226,155
-	-	-	-	-	1,090,088
-	-	-	-	-	291,182
<u>\$ 8,040,217</u>	<u>\$ 1,729,447</u>	<u>\$ 4,200,726</u>	<u>\$ 844,836</u>	<u>\$ 12,730,250</u>	<u>\$ 60,888,222</u>
\$ 99,092	\$ -	\$ -	\$ 11,697	\$ 62,356	\$ 649,850
199,409	255,948	15,591	3,085	136,503	1,023,991
15,400	21,761	-	-	6,600	75,546
-	-	-	-	816,695	862,048
-	-	-	825,280	22,269	847,549
<u>313,901</u>	<u>277,709</u>	<u>15,591</u>	<u>840,062</u>	<u>1,044,423</u>	<u>3,458,984</u>
375,775	49,886	-	28,507	-	1,010,273
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,088</u>
<u>375,775</u>	<u>49,886</u>	<u>-</u>	<u>28,507</u>	<u>-</u>	<u>1,318,361</u>
-	-	-	-	-	7,091,071
-	-	-	-	-	1,090,088
7,350,541	-	4,185,135	-	10,030,673	41,500,885
-	1,401,852	-	-	-	1,401,852
-	-	-	-	2,097,679	3,383,696
-	-	-	(23,733)	(442,525)	1,643,285
<u>7,350,541</u>	<u>1,401,852</u>	<u>4,185,135</u>	<u>(23,733)</u>	<u>11,685,827</u>	<u>56,110,877</u>
<u>\$ 8,040,217</u>	<u>\$ 1,729,447</u>	<u>\$ 4,200,726</u>	<u>\$ 844,836</u>	<u>\$ 12,730,250</u>	<u>\$ 60,888,222</u>

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

**COUNTY OF LASSEN**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

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

Total fund balances - government funds	\$ 56,110,877
Loans receivable and other long-term receivables are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	1,318,361
Capital assets used in governmental activities were not current financial resources; therefore, they were not reported in the governmental funds balance sheet.	60,258,013
Pension and OPEB related deferrals are reported as deferred outflows and inflows of resources on the statement of net position.	7,760,027
Internal service funds were used by the County to charge the cost of fleet services and telephone services to individual funds. The assets and liabilities of the internal service funds were included in governmental activities in the government-wide statement of net position.	1,817,792
Long-term liabilities were not due and payable in the current period; therefore, they were not reported in the governmental funds balance sheet.	
Compensated absences	(1,257,894)
Claims liability	(4,677,720)
Capital leases	(3,658,166)
Net pension liability	(48,939,455)
Net OPEB Liability	<u>(2,093,085)</u>
Total net position - governmental activities	<u>\$ 66,638,750</u>

**COUNTY OF LASSEN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds				
	General	Road	Community Development	Welfare Admin.	Welfare Assistance
<b>REVENUES</b>					
Taxes	\$ 10,137,901	\$ -	\$ -	\$ -	\$ -
Licenses and permits	321,502	8,528	-	-	-
Intergovernmental	3,930,211	12,793,446	-	5,536,496	6,275,377
Charges for services	2,932,381	8,414	-	179	-
Fines and forfeitures	635,423	-	-	-	-
Use of money and property	895,723	144,914	34,404	-	-
Other revenues	1,327,099	122,308	56,724	120,197	80,940
Total revenues	20,180,240	13,077,610	91,128	5,656,872	6,356,317
<b>EXPENDITURES</b>					
Current:					
General government	6,091,565	-	-	-	-
Public protection	3,134,130	-	-	-	-
Public ways and facilities	-	4,858,879	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	115,422	-	19,169	7,487,496	8,123,330
Education	72,569	-	-	-	-
Recreation and culture	27,509	-	-	-	-
Capital outlay	172,113	8,667,494	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	9,613,308	13,526,373	19,169	7,487,496	8,123,330
Excess (deficiency) of revenues over (under) expenditures	10,566,932	(448,763)	71,959	(1,830,624)	(1,767,013)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of capital lease	-	-	-	-	-
Transfers in	523,809	-	-	3,471,298	2,012,987
Transfers out	(8,841,532)	-	-	-	(198,772)
Total other financing sources (uses)	(8,317,723)	-	-	3,471,298	1,814,215
Net change in fund balances	2,249,209	(448,763)	71,959	1,640,674	47,202
Fund balances - beginning of year	9,164,315	5,596,444	1,875,720	3,782,268	7,532,227
Fund balances - end of year	\$ 11,413,524	\$ 5,147,681	\$ 1,947,679	\$ 5,422,942	\$ 7,579,429

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

**COUNTY OF LASSEN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(Continued)

Special Revenue Funds			Capital Projects Fund		
Health and Human Services	Public Safety	County Local Revenue	Courthouse Square Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 104,324	\$ -	\$ -	\$ 3,848,221	\$ 14,090,446
3,680	9,977	-	-	1,062	344,749
4,111,339	2,307,896	7,611,839	294,563	9,800,165	52,661,332
1,716,898	377,458	-	-	722,794	5,758,124
7,610	7,710	-	-	842,913	1,493,656
271,957	26,354	-	17,019	800,530	2,190,901
139,858	765,903	11,824	-	284,996	2,909,849
<u>6,251,342</u>	<u>3,599,622</u>	<u>7,623,663</u>	<u>311,582</u>	<u>16,300,681</u>	<u>79,449,057</u>
-	654,963	-	-	1,076,789	7,823,317
174,148	12,327,741	689,305	-	6,506,294	22,831,618
-	-	-	-	38,409	4,897,288
8,401,179	-	-	-	2,700,161	11,101,340
1,199,965	-	-	-	7,131	16,952,513
-	-	-	-	-	72,569
-	-	-	-	94,186	121,695
-	104,823	400,345	335,044	667,711	10,347,530
-	-	80,069	-	160,287	240,356
-	-	-	-	139,927	139,927
<u>9,775,292</u>	<u>13,087,527</u>	<u>1,169,719</u>	<u>335,044</u>	<u>11,390,895</u>	<u>74,528,153</u>
<u>(3,523,950)</u>	<u>(9,487,905)</u>	<u>6,453,944</u>	<u>(23,462)</u>	<u>4,909,786</u>	<u>4,920,904</u>
-	-	400,345	-	-	400,345
4,100,575	9,893,327	-	-	1,388,281	21,390,277
(114,000)	-	(5,819,557)	-	(6,416,416)	(21,390,277)
<u>3,986,575</u>	<u>9,893,327</u>	<u>(5,419,212)</u>	<u>-</u>	<u>(5,028,135)</u>	<u>400,345</u>
462,625	405,422	1,034,732	(23,462)	(118,349)	5,321,249
6,887,916	996,430	3,150,403	(271)	11,804,176	50,789,628
<u>\$ 7,350,541</u>	<u>\$ 1,401,852</u>	<u>\$ 4,185,135</u>	<u>\$ (23,733)</u>	<u>\$ 11,685,827</u>	<u>\$ 56,110,877</u>

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

**COUNTY OF LASSEN**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

Net change in fund balances - governmental funds	\$	5,321,249
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Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital asset adjustments.	11,550,892	
Less current year depreciation recorded in the government-wide financial statements.	<u>(4,153,718)</u>	7,397,174

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(4,092,515)
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Changes to OPEB liability and OPEB related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	201,170
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Revenues that have not met the revenue recognition criteria in the fund financial statements are recognized as revenue in the government-wide financial statements. This amount represents the change in unearned revenue from the prior year.	(751,786)
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The issuance of long-term debt provides current financial resources to governmental funds, this transaction, however, has no effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amount are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(400,345)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Capital leases	240,356

Certain expenses reported in the statement of activities and changes in net position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	63,192
Change in claim liabilities	(708,953)

Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(486,038)</u>
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Change in net position of governmental activities	\$	<u>6,783,504</u>
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The notes to the basic financial statements are an integral part of this statement.



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## PROPRIETARY FUND FINANCIAL STATEMENTS

**COUNTY OF LASSEN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	Business-Type Activities Enterprise Funds County Service Area (Honey Lake TV)	Governmental Activities Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 1,933	\$ 1,891,516
Total current assets	<u>1,933</u>	<u>1,891,516</u>
Noncurrent assets:		
Capital assets:		
Non-depreciable	-	123,450
Depreciable, net	<u>63,885</u>	<u>926,002</u>
Total noncurrent assets	<u>63,885</u>	<u>1,049,452</u>
Total assets	<u>65,818</u>	<u>2,940,968</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows from pensions	-	132,637
Deferred outflows from OPEB	<u>-</u>	<u>8,030</u>
Total deferred outflows of resources	<u>-</u>	<u>140,667</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	-	151,805
Due to other governments	-	8,550
Salaries and benefits payable	<u>-</u>	<u>15,054</u>
Total current liabilities	<u>-</u>	<u>175,409</u>
Noncurrent liabilities:		
Net pension liability	-	1,057,563
Net OPEB liability	<u>-</u>	<u>13,122</u>
Total noncurrent liabilities	<u>-</u>	<u>1,070,685</u>
Total liabilities	<u>-</u>	<u>1,246,094</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows from pensions	-	16,126
Deferred inflows from OPEB	<u>-</u>	<u>1,623</u>
Total deferred inflows of resources	<u>-</u>	<u>17,749</u>
<b>NET POSITION</b>		
Net investment in capital assets	63,885	1,049,452
Unrestricted	<u>1,933</u>	<u>768,340</u>
Total net position	<u>\$ 65,818</u>	<u>\$ 1,817,792</u>

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

**COUNTY OF LASSEN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Funds County Service Area (Honey Lake TV)	Governmental Activities Internal Service Funds
Operating revenues:		
Charges for services	\$ 104,990	\$ 1,377,301
Other revenue	<u>1,281</u>	<u>3,628</u>
Total operating revenues	<u>106,271</u>	<u>1,380,929</u>
Operating expenses:		
Salaries and benefits	-	1,006,410
Services and supplies	71,413	554,065
Depreciation	<u>24,274</u>	<u>374,925</u>
Total operating expenses	<u>95,687</u>	<u>1,935,400</u>
Operating income (loss)	<u>10,584</u>	<u>(554,471)</u>
Nonoperating revenues (expenses):		
Investment earnings	<u>249</u>	<u>68,433</u>
Total nonoperating revenues (expenses)	<u>249</u>	<u>68,433</u>
Change in net position	10,833	(486,038)
Net position, beginning of year	<u>54,985</u>	<u>2,303,830</u>
Net position, end of year	<u>\$ 65,818</u>	<u>\$ 1,817,792</u>

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

**COUNTY OF LASSEN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Funds Nonmajor Funds	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 106,271	\$ -
Cash received from interfund services provided	-	1,380,929
Cash payments to suppliers for goods and services	(71,413)	(402,127)
Cash paid to employees for services	-	(457,276)
Net cash provided by (used for) operating activities	<u>34,858</u>	<u>521,526</u>
Cash flows from capital and related financing activities:		
Payments related to the acquisition of capital assets	(40,450)	(716,900)
Net cash provided by (used for) capital and related financing activities	<u>(40,450)</u>	<u>(716,900)</u>
Cash flows from investing activities:		
Investment earnings	249	68,433
Net cash provided by (used for) investing activities	<u>249</u>	<u>68,433</u>
Net increase (decrease) in cash and cash equivalents	(5,343)	(126,941)
Cash and cash equivalents, beginning of year	<u>7,276</u>	<u>2,018,457</u>
Cash and cash equivalents, end of year	<u>\$ 1,933</u>	<u>\$ 1,891,516</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ 10,584	\$ (554,471)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	24,274	374,925
Changes in assets and liabilities:		
(Increase)/decrease in deferred outflows of resources for pensions	-	(52,582)
(Increase)/decrease in deferred outflows of resources for OPEB	-	(3,817)
(Increase)/decrease in due from other government	-	143,388
Increase/(decrease) in accounts payable	-	8,550
Increase/(decrease) in accrued salaries	-	3,145
Increase/(decrease) in net pension liability	-	602,304
Increase/(decrease) in net OPEB liability	-	(5,362)
Increase/(decrease) in deferred inflows of resources for pensions	-	5,985
Increase/(decrease) in deferred inflows of resources for OPEB	-	(539)
Net cash provided by (used for) operating activities	<u>\$ 34,858</u>	<u>\$ 521,526</u>

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

## FIDUCIARY FUND FINANCIAL STATEMENTS

**COUNTY OF LASSEN**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2020**

	<u>Investment Trust Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 45,131,909	\$ 12,674,925
Due from other governments	-	1,569,779
Taxes receivable	<u>-</u>	<u>2,738,610</u>
Total assets	<u>45,131,909</u>	<u>16,983,314</u>
<b>LIABILITIES</b>		
Agency obligations	<u>-</u>	<u>16,983,314</u>
Total liabilities	<u>-</u>	<u>\$ 16,983,314</u>
<b>NET POSITION</b>		
Held in trust for investment pool participants	<u>\$ 45,131,909</u>	

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

**COUNTY OF LASSEN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Investment Trust Fund</u>
<b>ADDITIONS</b>	
Contributions	\$ 86,893,896
Revenue from use of money and property	<u>827,464</u>
Total additions	<u>87,721,360</u>
<b>DEDUCTIONS</b>	
Distributions from pooled investment	<u>83,786,194</u>
Total deductions	<u>83,786,194</u>
Change in net position	3,935,166
Net position, beginning of year	<u>41,196,743</u>
Net position, end of year	<u><u>\$ 45,131,909</u></u>

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



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## NOTES TO THE BASIC FINANCIAL STATEMENTS

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Financial Reporting Entity**

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

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

***Blended Component Units***

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

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

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

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Accounting and Measurement Focus**

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below. The accounting policies of the County conform to GAAP in the United States for local governmental units. The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose of which they are to be spent and means by which spending activities are controlled.

***Government-Wide Financial Statements***

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

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

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

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

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

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

COUNTY OF LASSEN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Accounting and Measurement Focus (Continued)**

*Governmental Fund Financial Statements*

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

The County reports the following major governmental funds:

General Fund accounts for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as legislative and administrative, personnel, finance, counselor, elections, and property management.

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

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

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

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

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

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

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

Courthouse Square Construction Fund accounts for funding and costs associated with the Lassen County Historic Courthouse Renovation Project.

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Accounting and Measurement Focus (Continued)**

*Governmental Fund Financial Statements (Continued)*

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

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

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

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

*Proprietary Fund Financial Statements*

The County reports the following proprietary funds:

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

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

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

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

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Accounting and Measurement Focus (Continued)**

*Proprietary Fund Financial Statements (Continued)*

The County reports the following Fiduciary Funds:

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

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

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

**C. Cash, Cash Equivalents and Investments**

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

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

**D. Receivables**

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

**E. Deposits with Others**

Deposits with others consist of deposits with Trindel Insurance Fund of \$7,091,071.

**F. Inventory**

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Capital Assets**

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

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

The estimated useful lives are as follows:

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

**H. Compensated Absences**

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

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

**I. Revenue Recognition - Property Taxes**

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

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



**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Revenue Recognition – Property Taxes (Continued)**

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

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

**J. Interfund Receivables and Payables**

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

**K. Use of Estimates**

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

**L. Net Position/Fund Balances**

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

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

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

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

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

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

Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Net Position/Fund Balances (Continued)**

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

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

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

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

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

The County has established a fund within the General Fund known as the General Reserve. The intended use of the fund is to have resources available for future budgetary and cash flow needs. For the period ending June 30, 2020, the General Reserve is included as part of the assigned fund balance of the General Fund.

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

**M. Pensions**

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Other Postemployment Benefits**

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

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

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

**NOTE 2 - CASH AND INVESTMENTS**

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

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

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

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

At June 30, 2020, total County cash and investments (excluding imprest funds of \$15,882) were as follows:

Cash:

Cash on hand	\$ 1,512
Cash in U.S. Bank	1,485,274
Outside Treasurer's Pool-EBT Account	25,806
Less outstanding warrants and deposits	<u>(1,829,493)</u>
 Total deposits	 <u>(316,901)</u>

Investments:

In Treasurer's Pool	102,930,869
Accrued interest	<u>12,172</u>
 Total investments	 <u>102,943,041</u>
 Total cash and investments	 <u><u>\$ 102,626,140</u></u>

Total cash and investments at June 30, 2020 were presented on the County's financial statements as follows:

Cash and investments in the Treasurer's Pool:

Primary government	\$ 44,819,306
Investment trust fund	45,131,909
Agency funds	<u>12,674,925</u>
 Total cash and investments	 <u><u>\$ 102,626,140</u></u>

The carrying amounts of the County's cash deposits were (\$316,901) at June 30, 2020. Bank balances as of June 30, 2020 were \$1,485,274, which were fully insured and collateralized with securities held by the pledging financial institutions in the County's name as discussed in the following.

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

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**A. Investments**

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

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

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

At June 30, 2020, the County had the following investments:

Investment Type	Interest Rates	Maturities	Cost	Fair Value	Percent of Portfolio
Certificates of Deposit	1.200% - 3.400%	7/16/20 - 4/28/25	\$ 22,619,000	\$ 23,391,330	22.73%
Corporate	1.550% - 3.375%	7/29/20 - 9/10/24	10,185,603	10,453,001	10.16%
Federal Agency Issues - Coupon	1.250% - 2.770%	7/29/20 - 10/16/24	19,903,796	20,784,710	20.19%
Municipal	1.750% - 3.490%	7/15/20 - 6/1/24	6,312,234	6,417,629	6.23%
Supranationals	1.200% - 2.358%	12/1/20 - 7/2/24	7,124,508	7,370,016	7.16%
LAIF	2.37%	On demand	34,514,183	34,514,183	33.53%
			<u>\$ 100,659,324</u>	<u>\$ 102,930,869</u>	<u>100.00%</u>

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**B. Interest Rate Risk**

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

Investment Type	Fair Value	Years				
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
Certificates of Deposit	\$ 23,391,330	\$ 3,458,754	\$ 3,534,647	\$ 5,145,191	\$ 2,886,054	\$ 8,366,684
Corporates	10,453,001	2,734,089	2,764,977	2,865,930	2,088,005	-
Federal Agency Issues - Coupon	20,784,710	3,019,280	3,061,070	6,260,680	4,233,380	4,210,300
Municipal	6,417,629	501,257	1,517,475	2,030,402	2,368,495	-
Supranationals	7,370,016	2,006,720	2,023,240	2,072,580	1,267,476	-
LAIF	34,514,183	34,514,183	-	-	-	-
Total	<u>\$ 102,930,869</u>	<u>\$ 46,234,283</u>	<u>\$ 12,901,409</u>	<u>\$ 18,374,783</u>	<u>\$ 12,843,410</u>	<u>\$ 12,576,984</u>

**C. Credit Risk**

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

**D. Concentrations of Credit Risk**

At June 30, 2020, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds or medium-term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. governments, U.S. governmental agencies, or government-sponsored enterprises are exempt from these limitations.

At June 30, 2020, the County held its net investments in obligations of certificates of deposits (22.73%), federal agency issues (20.19%), corporate bonds (10.16%), municipal obligations (6.23%), supranationals (7.16%), and the Local Agency Investment Fund (33.53%). These investments are not violations of state law or the investment policy but are required disclosures for financial reporting.

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**D. Concentrations of Credit Risk (Continued)**

The following is a summary of the credit quality distribution and concentration or credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2020:

	Credit Quality Ratings		% of Portfolio
	Moody's	S&P	
Certificates of Deposit	Aaa	AAA	22.73%
Corporate Bonds	A1	A-	10.16%
Federal Agency Issues - Coupon	AGY	AA+	20.19%
Municipal	Aa3	AA-	6.23%
US Treasury	TSY	TSY	0.00%
Supranationals	Aaa	N/A-AAA	7.16%
Local Agency Investment Fund	Not Rated	Not Rated	33.53%
Total			<u>100.00%</u>

**E. Custodial Credit Risk**

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

**F. Local Agency Investment Fund**

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

Investments in LAIF are available on demand and are reported at fair value. At June 30, 2020, the County had \$34,514,183 invested in LAIF. That total amount invested by all public agencies in LAIF on that day was \$3,092,494,767.

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**G. County Investment Pool Summary**

The following represents a summary of net position and changes in net position for the Treasurer's Investment Pool as of June 30, 2020:

Statement of Net Position:

Net position held for pool participants	\$ 102,626,140
Equity of internal investment pool participants	\$ 44,819,306
Equity of external investment pool participants	<u>57,806,834</u>
Total net position	<u>\$ 102,626,140</u>

Statement of Changes in Net Position:

Investment earnings	\$ 1,893,702
Investment expenses	(186,538)
Net change in investments by pool participants	<u>13,143,384</u>

Increase (decrease) in net position	14,850,548
-------------------------------------	------------

Total net position:

Beginning of year	<u>87,775,592</u>
End of year	<u>\$ 102,626,140</u>

**H. Investments Valuation**

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



**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**H. Investments Valuation (Continued)**

The County does not have any investments that are measured using Level 1 or Level 3 inputs. Fair value measurements of the County's investments are as follows at June 30, 2020:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Level 2 Inputs</u>
Debt Securities:		
Certificates of Deposit	\$ 23,391,330	\$ 23,391,330
Corporate bonds	10,453,001	10,453,001
Federal Agency Issues - Coupon	20,784,710	20,784,710
Municipal	6,417,629	6,417,629
Supranationals	7,370,016	7,370,016
	<u>68,416,686</u>	<u>\$ 68,416,686</u>
<u>Investments Measured at Amortized Costs</u>		
LAIF	<u>34,514,183</u>	
Total Investments	<u>\$ 102,930,869</u>	

**NOTE 3 - RECEIVABLES**

Management believes its receivables are fully collectible except for certain long-term receivables on loans recorded in the Community and Economic Development, a major fund. At June 30, 2020, the gross amount of these receivables was \$435,723 (includes current portion of \$16,906), and the allowance for uncollectible accounts was \$127,635, which resulted in a net amount of \$308,088.

<u>Loan Type</u>	<u>Balance as of June 30, 2020</u>
HUD - Home 93	\$ 13,270
CDBG - 317 Rev	5,482
HUD - Home 94	87,805
CDBG - 89 RLF	6,767
CDBG	<u>322,399</u>
Total loans receivable	435,723
Less: allowance for doubtful accounts	<u>(127,635)</u>
Total loans receivable	<u>\$ 308,088</u>

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 4 - CAPITAL ASSETS**

**A. Government-Wide Financial Statements**

Capital assets activity of the governmental activities for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions	Retirements & Adjustments	Transfers	Balance June 30, 2020
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 2,575,419	\$ -	\$ -	\$ -	\$ 2,575,419
Construction in progress	<u>8,193,600</u>	<u>9,846,450</u>	<u>-</u>	<u>(277,749)</u>	<u>17,762,301</u>
Total capital assets, not being depreciated	<u>10,769,019</u>	<u>9,846,450</u>	<u>-</u>	<u>(277,749)</u>	<u>20,337,720</u>
Capital assets, being depreciated:					
Infrastructure	74,074,850	-	-	-	74,074,850
Structures and improvements (includes leasehold improvements)	26,731,489	418,570	-	-	27,150,059
Equipment	<u>18,512,298</u>	<u>2,002,772</u>	<u>(123,221)</u>	<u>277,749</u>	<u>20,669,598</u>
Total capital assets, being depreciated	<u>119,318,637</u>	<u>2,421,342</u>	<u>(123,221)</u>	<u>277,749</u>	<u>121,894,507</u>
Less accumulated depreciation for:					
Infrastructure	(45,627,474)	(2,447,358)	-	-	(48,074,832)
Structures and improvements (includes leasehold improvements)	(15,100,628)	(791,738)	-	-	(15,892,366)
Equipment	<u>(15,791,238)</u>	<u>(1,289,547)</u>	<u>123,221</u>	<u>-</u>	<u>(16,957,564)</u>
Total accumulated depreciation	<u>(76,519,340)</u>	<u>(4,528,643)</u>	<u>123,221</u>	<u>-</u>	<u>(80,924,762)</u>
Total capital assets, being depreciated, net	<u>42,799,297</u>	<u>(2,107,301)</u>	<u>-</u>	<u>277,749</u>	<u>40,969,745</u>
Governmental activities capital assets, net	<u>\$ 53,568,316</u>	<u>\$ 7,739,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,307,465</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 438,247
Public protection	753,044
Public ways and facilities	2,783,340
Health and sanitation	27,576
Public assistance	70,095
Recreation and culture	81,416
Internal service funds	<u>374,925</u>
Total	<u>\$ 4,528,643</u>

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 4 - CAPITAL ASSETS (Continued)**

**A. Government-Wide Financial Statements (Continued)**

Capital assets activity of the business-type activities for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
<b>Business-Type Activities</b>					
Capital assets, being depreciated					
Equipment	\$ 440,868	\$ 40,450	\$ -	\$ -	\$ 481,318
Total capital assets, being depreciated	440,868	40,450	-	-	481,318
Less accumulated depreciation for:					
Equipment	(393,159)	(24,274)	-	-	(417,433)
Total accumulated depreciation	(393,159)	(24,274)	-	-	(417,433)
Total capital assets, being depreciated, net	47,709	16,176	-	-	63,885
Business-type activities capital assets, net	<u>\$ 47,709</u>	<u>\$ 16,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,885</u>

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

County Service Area (Honey Lake TV)	\$ 24,274
Total	<u>\$ 24,274</u>

**NOTE 5 - LONG-TERM DEBT**

The following is a summary of long-term liability transactions for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Compensated absences	\$ 1,321,086	\$ -	\$ (63,192)	\$ 1,257,894	\$ 943,421	\$ 314,473
Claims liability	3,968,767	1,272,018	(563,065)	4,677,720	2,338,860	2,338,860
Direct borrowing:						
Capital lease	3,498,177	400,345	(240,356)	3,658,166	246,767	3,411,399
Total long-term liabilities	<u>\$ 8,788,030</u>	<u>\$ 1,672,363</u>	<u>\$ (866,613)</u>	<u>\$ 9,593,780</u>	<u>\$ 3,529,048</u>	<u>\$ 6,064,732</u>

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 6 - LEASE COMMITMENTS**

**A. Operating Leases**

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

Year Ending June 30,	Principal
2021	\$ 195,129
Total	\$ 195,129

Rent expenditures were \$821,092 for the year ended June 30, 2020.

**B. Capital Leases**

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

On September 8, 2019, the County entered into a five-year capital lease agreement under which the new Public Safety Software license would become the property of the County at the end of the lease agreement. The lease agreement is secured by the leased software and includes a provision, whereby, in an event of default, the County will surrender its license to the software and cease further use.

As of June 30, 2020, future minimum lease payments under capital leases were as follows:

<u>Year Ending June 30:</u>	
2021	\$ 380,283
2022	380,283
2023	380,283
2024	380,283
2025	300,214
2026-2030	1,501,068
2031-2035	1,501,068
Total Future Minimum Lease Payments	4,823,482
Less: Interest	(1,165,316)
Present Value of Minimum Lease Payments	\$ 3,658,166

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7 - INTERFUND TRANSACTIONS**

**A. Interfund Receivables/Payables**

Interfund receivables and payables represent borrowing between funds and regular services and supplies provided but not settled at year-end. The composition of interfund balances as of June 30, 2020 was as follows:

***Due to/from Other Funds***

***Between Funds within the Governmental Activities***

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

Due to Other Funds	Due from Other Funds			
	Major Funds			
	General Fund	Public Safety	Courthouse Square Construction	Total
Major Fund:				
General Fund	\$ -	\$ -	\$ 45,353	\$ 45,353
Nonmajor Governmental Funds:				
DA Contracts	-	81,293	-	81,293
Prop 56 - Tobacco	-	273,196	-	273,196
Narcotics Task Force	-	24,991	-	24,991
Coronavirus Relief Fund	320,920	-	-	320,920
CCF Equipment Replacement	-	115,649	-	115,649
Natural Resources	646	-	-	646
Total	<u>\$ 321,566</u>	<u>\$ 495,129</u>	<u>\$ 45,353</u>	<u>\$ 862,048</u>

***Transfers In/Out***

***Between Funds within the Governmental Activities***

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

Transfers Out	Transfers In							
	Major Funds				Nonmajor Governmental Funds			
	General	Welfare Admin.	Welfare Assistance	Health and Human Services	Public Safety	Special Revenue	Capital Projects	Debt
Major Funds:								
General	\$ -	\$ 502,176	\$ 160,000	\$ 14,264	\$ 7,671,793	\$ 160,971	\$ 31,328	\$ 301,000
Welfare Assistance	-	-	-	198,772	-	-	-	-
Health and Human Services	1,796	-	-	-	-	112,204	-	-
County Local Revenue	-	1,553,502	1,303,267	1,388,557	945,640	628,591	-	-
Nonmajor Governmental Funds:								
Special Revenue	122,013	1,415,620	549,720	2,498,982	1,275,894	113,996	1,303	-
Capital Projects	400,000	-	-	-	-	-	38,888	-
Total	<u>\$ 523,809</u>	<u>\$ 3,471,298</u>	<u>\$ 2,012,987</u>	<u>\$ 4,100,575</u>	<u>\$ 9,893,327</u>	<u>\$ 1,015,762</u>	<u>\$ 71,519</u>	<u>\$ 301,000</u>

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7 - INTERFUND TRANSACTIONS (Continued)**

**A. Interfund Receivables/Payables (Continued)**

*Between Governmental and Business-Type Activities*

There were no transfers between governmental and business-type activities during the fiscal year ended June 30, 2020.

**NOTE 8 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category, and they are unavailable revenues and pension deferrals.

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

	<u>Unavailable Revenue</u>
<b>Governmental Activities:</b>	
General Fund:	
Help America Vote Act (HAVA)	\$ 116,676
Welfare Admin.:	
State Public Assistance	439,429
Health & Human Services:	
Medi-Cal	188,875
Substance Abuse Block Grant	186,900
Community Development:	
Long-term loans receivable	308,088
Public Safety:	
Dispatch Services	49,886
Courthouse Square Construction:	
Courthouse Renovation Project	<u>28,507</u>
Total	<u>\$ 1,318,361</u>

- The County has pension and OPEB related items that qualify to be reported in deferred inflows of resources, which are described in detail in Note 10 and Note 11.

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 9 – FUND BALANCES**

A detailed schedule of fund balances at June 30, 2020 was as follows:

	General	Roads	Community Develop.	Welfare Admin.	Welfare Assistance	Health and Human Services	Public Safety	County Local Revenue	Courthouse Square Construction	Nonmajor Governmental	Total
<b>Nonspendable:</b>											
Advances and Deposits	\$ 7,091,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,091,071
Inventory	-	1,090,088	-	-	-	-	-	-	-	-	1,090,088
Total Nonspendable Fund Balance	7,091,071	1,090,088	-	-	-	-	-	-	-	-	8,181,159
<b>Restricted:</b>											
Purpose of Fund	-	4,057,593	1,947,679	5,422,942	7,579,429	7,350,541	-	4,185,135	-	-	30,543,319
Assessor's Grant	687,949	-	-	-	-	-	-	-	-	-	687,949
Self-Insurance	22,618	-	-	-	-	-	-	-	-	-	22,618
Emergency Services	216,326	-	-	-	-	-	-	-	-	-	216,326
Mental Health Services Act	-	-	-	-	-	-	-	-	-	2,314,054	2,314,054
HHS Contracts	-	-	-	-	-	-	-	-	-	215,520	215,520
Aviation	-	-	-	-	-	-	-	-	-	409,460	409,460
TCF/Bailiff	-	-	-	-	-	-	-	-	-	91,597	91,597
Supplemental Law Enforcement	-	-	-	-	-	-	-	-	-	214,555	214,555
Vital Statistics	-	-	-	-	-	-	-	-	-	92,011	92,011
Recorder Micrographics	-	-	-	-	-	-	-	-	-	170,169	170,169
Recorder Modernization	-	-	-	-	-	-	-	-	-	123,245	123,245
Recorder AB130	-	-	-	-	-	-	-	-	-	60,066	60,066
Inmate Welfare - County	-	-	-	-	-	-	-	-	-	115,575	115,575
Narcotics Asset Forfeiture	-	-	-	-	-	-	-	-	-	1,250	1,250
Narcotics Task Force	-	-	-	-	-	-	-	-	-	54,042	54,042
Bieber Lighting District	-	-	-	-	-	-	-	-	-	31,729	31,729
Lassen-Modoc Flood Control	-	-	-	-	-	-	-	-	-	174,463	174,463
Geothermal	-	-	-	-	-	-	-	-	-	302,045	302,045
Mental Health Realignment	-	-	-	-	-	-	-	-	-	1,208,764	1,208,764
Social Services Realignment	-	-	-	-	-	-	-	-	-	2,922,516	2,922,516
Public Health Realignment	-	-	-	-	-	-	-	-	-	122,722	122,722
County Children's Fund	-	-	-	-	-	-	-	-	-	17,862	17,862
Prop 56 - Tobacco	-	-	-	-	-	-	-	-	-	14,818	14,818
Sheriff DNA	-	-	-	-	-	-	-	-	-	202,677	202,677
USDA Title III	-	-	-	-	-	-	-	-	-	208,475	208,475
Child Support	-	-	-	-	-	-	-	-	-	157,854	157,854
Criminal Justice Facility Const.	-	-	-	-	-	-	-	-	-	334,484	334,484
Courthouse Construction	-	-	-	-	-	-	-	-	-	470,720	470,720
Total Restricted Fund Balance	926,893	4,057,593	1,947,679	5,422,942	7,579,429	7,350,541	-	4,185,135	-	10,030,673	41,500,885
<b>Committed</b>											
Purpose of Fund	-	-	-	-	-	-	1,401,852	-	-	-	1,401,852
Total Restricted Fund Balance	-	-	-	-	-	-	1,401,852	-	-	-	1,401,852
<b>Assigned</b>											
Subsequent Year Budget Deficit	907,557	-	-	-	-	-	-	-	-	-	907,557
General Contract - PTA	267,527	-	-	-	-	-	-	-	-	-	267,527
Property Tax Delinquent Costs	29,009	-	-	-	-	-	-	-	-	-	29,009
Tobacco Settlement	49,940	-	-	-	-	-	-	-	-	-	49,940
Loss Prevention	6,518	-	-	-	-	-	-	-	-	-	6,518
Inmate Welfare - State	25,466	-	-	-	-	-	-	-	-	-	25,466
Fish and Game	-	-	-	-	-	-	-	-	-	7,963	7,963
Sheriff Contracts	-	-	-	-	-	-	-	-	-	238,263	238,263
Cemetery	-	-	-	-	-	-	-	-	-	120,974	120,974
Probation Fund	-	-	-	-	-	-	-	-	-	329,132	329,132
Capital Improvements	-	-	-	-	-	-	-	-	-	16,443	16,443
Capital Improvements Lease	-	-	-	-	-	-	-	-	-	717,727	717,727
Accumulated Capital Outlay	-	-	-	-	-	-	-	-	-	446,488	446,488
Fairgrounds Improvements	-	-	-	-	-	-	-	-	-	327	327
Jail Facilities Construction	-	-	-	-	-	-	-	-	-	49,646	49,646
Debt Service	-	-	-	-	-	-	-	-	-	3,340	3,340
Prison Trial Program	-	-	-	-	-	-	-	-	-	167,376	167,376
Total Assigned Fund Balance	1,286,017	-	-	-	-	-	-	-	-	2,097,679	3,383,696
<b>Unassigned:</b>											
Purpose of Fund	2,109,543	-	-	-	-	-	-	-	-	-	2,109,543
Courthouse Square Construction	-	-	-	-	-	-	-	-	(23,733)	-	(23,733)
DA Contracts	-	-	-	-	-	-	-	-	-	(1,698)	(1,698)
Natural Resources	-	-	-	-	-	-	-	-	-	(3,587)	(3,587)
Fair	-	-	-	-	-	-	-	-	-	(671)	(671)
Coronavirus Relief	-	-	-	-	-	-	-	-	-	(320,920)	(320,920)
CCF Equipment Replacement	-	-	-	-	-	-	-	-	-	(115,649)	(115,649)
Total Unassigned Fund Balance	2,109,543	-	-	-	-	-	-	-	(23,733)	(442,525)	1,643,285
<b>Total Fund Balances</b>	<u>\$ 11,413,524</u>	<u>\$ 5,147,681</u>	<u>\$ 1,947,679</u>	<u>\$ 5,422,942</u>	<u>\$ 7,579,429</u>	<u>\$ 7,350,541</u>	<u>\$ 1,401,852</u>	<u>\$ 4,185,135</u>	<u>\$ (23,733)</u>	<u>\$ 11,685,827</u>	<u>\$ 56,110,877</u>

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 10 – PENSION PLANS**

**AGENT MULTIPLE EMPLOYER PLANS**

**A. General Information**

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

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

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

The Plans’ provisions and benefits in effect at June 30, 2020 are summarized as follows:

	<b>Miscellaneous</b>		
	<b>1st Tier</b>	<b>2nd Tier</b>	<b>PEPRA</b>
Hire date	Prior to January 1, 2011	January 1, 2011 thru December 31, 2012	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7.000%	7.000%	7.000%
Required employer contribution rates	8.696%	8.696%	8.696%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The County’s required contribution for the unfunded liability was \$2,107,220 for the fiscal year ended June 30, 2020.

**Employees Covered** – At the June 30, 2018 valuation date, the following employees were covered by the benefit terms for the Plan:

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



**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 10 – PENSION PLANS (Continued)**

**AGENT MULTIPLE EMPLOYER PLANS (Continued)**

**A. General Information (Continued)**

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The County’s contributions to the plan recognized as a part of pension expense for the year ended June 30, 2020 were \$3,485,097.

**B. Net Pension Liability**

The County’s net pension liability for its Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019, 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, 2018 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate Return	7.375% (1)
Mortality	Derived using CalPERS’ Membership data for all Funds (2)

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

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 10 – PENSION PLANS (Continued)**

**AGENT MULTIPLE EMPLOYER PLANS (Continued)**

**B. Net Pension Liability (Continued)**

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

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

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

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

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

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

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

(b) An expected inflation of 2.00% used for this period.

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 10 - PENSION PLANS (Continued)**

**AGENT MULTIPLE EMPLOYER PLANS (Continued)**

**C. Changes in the Net Pension Liability**

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

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at June 30, 2018 (Measurement Date)</b>	<u>\$ 131,703,366</u>	<u>\$ 98,713,537</u>	<u>\$ 32,989,829</u>
<b>Changes in the year:</b>			
Service cost	2,718,354	-	2,718,354
Interest on the total pension liability	9,380,954	-	9,380,954
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	1,523,093	-	1,523,093
Plan to plan resource movement	-	-	-
Contributions - employer	-	3,040,426	(3,040,426)
Contributions - employee	-	1,225,685	(1,225,685)
Net investment income	-	6,445,207	(6,445,207)
Benefit payments, including refunds of employee contributions	(6,766,978)	(6,766,978)	-
Administrative expenses	-	(70,619)	70,619
<b>Net changes</b>	<u>6,855,423</u>	<u>3,873,721</u>	<u>2,981,702</u>
<b>Balance at June 30, 2019 (Measurement Date)</b>	<u><u>\$ 138,558,789</u></u>	<u><u>\$ 102,587,258</u></u>	<u><u>\$ 35,971,531</u></u>

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

1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
<u>\$ 53,182,581</u>	<u>\$ 35,971,531</u>	<u>\$ 20,655,010</u>

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 10 – PENSION PLANS (Continued)**

**AGENT MULTIPLE EMPLOYER PLANS (Continued)**

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

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

For the year ended June 30, 2020, the County recognized pension expense of \$7,159,318. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,485,097	\$ -
Changes in assumptions	-	154,566
Differences between actual and expected experience	1,182,198	-
Net differences between projected and actual earnings on plan investments	-	475,977
Total	<u>\$ 4,667,295</u>	<u>\$ 630,543</u>

\$3,485,097 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	
2021	\$ 1,179,241
2022	(590,844)
2023	(147,259)
2024	110,517
2025	-
Thereafter	-

**E. Payable to the Pension Plan**

The County did not have an outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 10 – PENSION PLANS (Continued)**

**COST-SHARING EMPLOYER PLANS**

**A. General Information**

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

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

The rate plan provisions and benefits in effect at June 30, 2020 are summarized as follows:

	<b>Safety</b>		
	<b>1st Tier</b>	<b>2nd Tier</b>	<b>PEPRA</b>
Hire date	Prior to January 1, 2011	January 1, 2011 thru December 31, 2012	On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.000%	2.400% to 3.000%	1.426% to 2.000%
Required employee contribution rates	9.000%	9.000%	12.000%
Required employer contribution rates	21.927%	18.928%	13.034%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The County’s required contribution for the unfunded liability was \$1,218,324 for the fiscal year ended June 30, 2020.

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 10 - PENSION PLANS (Continued)**

**COST-SHARING EMPLOYER PLANS (Continued)**

**A. General Information (Continued)**

**Contributions** - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions

The County's contributions to the plan recognized as a part of pension expense for the year ended June 30, 2020 were \$1,609,527.

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

As of June 30, 2020, the County reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$14,025,487.

The County's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. The County's proportionate share of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.2273%
Proportion - June 30, 2019	0.2247%
Change - Increase (Decrease)	-0.0026%

For the year ended June 30, 2020, the County recognized pension expense of \$2,793,282. At June 30, 2020, 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
Pension contributions subsequent to measurement date	\$1,819,281	\$ -
Changes of assumptions	574,880	112,187
Differences between actual and expected experience	915,738	-
Net differences between projected and actual earnings on plan investments	-	192,945
Changes in employer's proportion	-	157,467
Differences between the employer's actual contributions and the employer's proportionate share of contributions	44,016	73,335
Total	<u>\$ 3,353,915</u>	<u>\$ 535,934</u>

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 10 – PENSION PLANS (Continued)**

**COST-SHARING EMPLOYER PLANS (Continued)**

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

\$1,819,281 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	
2021	\$ 964,858
2022	(116,134)
2023	112,436
2024	37,540
2025	-
Thereafter	-

**C. Actuarial Assumptions**

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	<u>Safety</u>
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% <sup>(1)</sup>
Mortality	Derived using CalPERS' Membership data for all Funds <sup>(2)</sup>

<sup>(1)</sup> Net of pension plan investment expenses, including inflation

<sup>(2)</sup> The mortality table was developed based on CalPERS specific data.

The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scal MP 2016.

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 10 – PENSION PLANS (Continued)**

**COST-SHARING EMPLOYER PLANS (Continued)**

**D. Discount Rate**

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

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

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

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

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

<sup>(a)</sup> In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>(b)</sup> An expected inflation of 2.00% used for this period.

<sup>(c)</sup> An expected inflation of 2.92% used for this period.



**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 10 – PENSION PLANS (Continued)**

**COST-SHARING EMPLOYER PLANS (Continued)**

**D. Discount Rate (Continued)**

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

1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
\$ 21,184,140	\$ 14,025,487	\$ 8,156,512

**E. Pension Plan Fiduciary Net Position**

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

**F. Payable to the Pension Plan**

The County did not have an outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

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

**A. Plan Description**

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

**B. Employees Covered**

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB plan:

	<u>Miscellaneous</u>
Inactive plan member or beneficiaries currently receiving benefits	126
Inactive plan members entitled to but not yet receiving benefits	-
Active employees	<u>383</u>
Total	<u><u>509</u></u>

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**C. Contributions**

The County has elected to contribute toward the cost of premiums, for the retiree and spouse, up to a maximum monthly amount, which is specified in the County's bargaining agreements with its employee groups. The minimum employer contribution specified by CalPERS for 2020 is \$122 per month and is currently less than the County's paid contribution. For the fiscal year ended June 30, 2020, the County paid premiums totaling \$403,351, but did not make any contributions directly to the plan.

**D. Net OPEB Liability**

The County's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	7.00%
Inflation	2.75%
Projected Salary Increase	2.75% per annum, in aggregate
Investment Rate Return	7.00%
Mortality Rate <sup>(1)</sup>	Derived using CalPERS' Membership data for all Funds
Pre-Retirement Turnover <sup>(2)</sup>	Derived using CalPERS' Membership data for all Funds
Healthcare Cost Trend Rates	6.50%, trending down to 5.00% thereafter

<sup>(1)</sup> Pre-retirement mortality information was derived from data collected on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website. The Experience Study Reports may be accessed on the CalPERS website ([www.calpers.ca.gov](http://www.calpers.ca.gov)) under Forms and Publications.

<sup>(2)</sup> Pre-retirement turnover information was derived from data collected on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website. The Experience Study Reports may be accessed on the CalPERS website ([www.calpers.ca.gov](http://www.calpers.ca.gov)) under Forms and Publications.

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**D. Net OPEB Liability (Continued)**

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

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

**E. Discount Rate**

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

**F. Change in Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
<b>Balance at June 30, 2019</b>			
<b>(Valuation Date June 30, 2018)</b>	\$ 7,356,823	\$ 5,907,091	\$ 1,449,732
<b>Changes in the year:</b>			
Service cost	270,539	-	270,539
Interest on the total OPEB liability	517,865	-	517,865
Differences between expected and actual experience	737,787	-	737,787
Changes of assumptions	(255,748)	-	(255,748)
Contributions - employer (including implicit rate subsidy)	-	330,458	(330,458)
Net investment income	-	306,735	(306,735)
Benefit payments, including refunds of member contributions	(466,483)	(466,483)	-
Administrative expenses	-	(23,225)	23,225
<b>Net changes</b>	<u>803,960</u>	<u>147,485</u>	<u>656,475</u>
<b>Balance at June 30, 2019 (Measurement Date)</b>	<u>\$ 8,160,783</u>	<u>\$ 6,054,576</u>	<u>\$ 2,106,207</u>

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

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

The following presents the net OPEB liability of the County if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
\$ 3,044,894	\$ 2,106,207	\$ 1,318,243

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

The following presents the net OPEB liability of the County if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

1% Decrease 5.50% decreasing to 4.00%	Current Healthcare Cost Trend Rates 6.50% decreasing to 5.00%	1% Increase 7.50% increasing to 6.00%
\$ 1,499,728	\$ 2,106,207	\$ 2,936,769

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

For the year ended June 30, 2020, the County recognized an OPEB expense of \$432,376. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 643,264	\$ -
Changes of assumptions	-	223,779
Differences between actual and expected experience	645,564	-
Net differences between projected and actual earnings on plan investments	-	36,837
Total	\$ 1,288,828	\$ 260,616

\$643,264 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30	
2021	\$ (28,764)
2022	(28,765)
2023	(66,138)
2024	(80,512)
2025	(60,254)
Thereafter	(120,515)

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**A. Grant Programs**

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

**B. General Litigation**

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

**C. COVID-19**

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus, COVID-19, a pandemic. Accordingly, some functions of the County's operations were limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

**NOTE 13 – JOINT POWERS AGREEMENT**

**A. Lassen Regional Solid Waste Management Authority**

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

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

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 13 – JOINT POWERS AGREEMENT (Continued)**

**A. Lassen Regional Solid Waste Management Authority (Continued)**

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

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

**B. Lassen Transit Service Agency**

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

Condensed financial information for the Agency as of June 30, 2020 is presented below:

	<u>Amount</u>
<b>Statement of Net Position</b>	
Assets	\$ 3,468,525
Liabilities	<u>(1,628,905)</u>
Net position (deficit)	<u>\$ 1,839,620</u>
 <b>Revenues and Expenses</b>	
Revenues	\$ 2,278,881
Expenses	<u>(1,498,587)</u>
Net gain (loss)	<u>\$ 780,294</u>

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 13 - JOINT POWERS AGREEMENT (Continued)**

**C. Honey Lake Valley Recreation Authority**

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

Condensed financial information for HLVRA as of June 30, 2020 is presented below:

	<u>Amount</u>
<b>Statement of Net Position</b>	
Assets	\$ 3,148,186
Liabilities	<u>-</u>
Net position (deficit)	<u>\$ 3,148,186</u>
 <b>Revenues and Expenses</b>	
Revenues	\$ 230,650
Expenses	<u>(254,610)</u>
Net gain (loss)	<u>\$ (23,960)</u>

**NOTE 14 - RISK MANAGEMENT**

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

The County participates in a JPA named Trindel Insurance Fund, to provide coverage for workers' compensation and general liability exposure and to pay for the administration of the program. Primary and excess workers' compensation insurance, as well as excess property and general liability insurance are reinsured through a commercial company. There is a self-insured retention of \$100,000 for general liability, \$25,000 for property, and \$300,000 for workers compensation. Above the self-insured retention, various limits are applied to excess insurance programs. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. At June 30, 2020, Trindel Insurance Fund was classified as a claims-servicing or account pool, wherein the County retains the risk of loss and is considered self-insured with regard to liability and workers compensation. The County currently reports all of its risk management activities in the General Fund. Premiums due to Trindel are reported when incurred. The liability for outstanding claims was determined based on historical trends and actual activity.

**COUNTY OF LASSEN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 14 – RISK MANAGEMENT (Continued)**

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

	<u>2020</u>	<u>2019</u>
Unpaid claims July 1	\$ 3,968,767	\$ 3,027,830
Incurred claims (including IBNRs) and changes in estimates	1,272,017	1,892,070
Current year payments	<u>(563,064)</u>	<u>(951,133)</u>
Unpaid claims June 30	<u>\$ 4,677,720</u>	<u>\$ 3,968,767</u>

**NOTE 15 – FUND BALANCE/NET DEFICIT**

At June 30, 2020, the County had the following deficits:

	<u>Amount</u>
Major Governmental Funds	
Courthouse Square Construction Capital Projects Fund	\$ 23,733
Nonmajor Governmental Funds:	
DA Contracts Special Revenue Fund	1,698
Natural Resources Special Revenue Fund	3,587
Fair Special Revenue Fund	671
Coronavirus Relief Special Revenue Fund	320,920
CCF Equipment Replacement Capital Projects Fund	<u>115,649</u>
Total Nonmajor Governmental Funds	<u>\$ 466,258</u>

**NOTE 16 – SUBSEQUENT EVENT**

On April 13, 2021, the California Department of Corrections and Rehabilitation (CDCR) announced the closure of the California Correctional Center in Lassen County by June 30, 2022. The economic impact of the proposed closure of the California Correctional Center in Lassen County is expected to have a negative impact to the local economy. There will be a potential impact to local revenues due to decreased property tax values and a reduction in sales taxes. Net future impact to the County is unknown.

Management has evaluated and concluded that there are no other subsequent events that have occurred from June 30, 2020, through the date the financial statements were available to be issued at September 30, 2021 that would require disclosure or adjustment.



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## REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF LASSEN**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING**

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

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the major object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Budgets are prepared in accordance with Generally Accepted Accounting Principles. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and amended during the fiscal year by four-fifths vote of the Board of Supervisors.

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

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

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

**NOTE 2 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2020, expenditures exceeded appropriations in the debt service and capital outlay classifications in the County Local Revenue Fund by \$405,414. The excess of expenditures directly relates to the purchase and principal payment of a new capital lease.

**COUNTY OF LASSEN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 10,114,000	\$ 10,114,000	\$ 10,137,901	\$ 23,901
Licenses and permits	291,000	291,000	321,502	30,502
Intergovernmental	3,719,662	4,469,662	3,930,211	(539,451)
Charges for services	3,054,282	3,094,282	2,932,381	(161,901)
Fines and forfeitures	651,500	651,500	635,423	(16,077)
Use of money and property	385,873	385,873	895,723	509,850
Other revenues	927,568	944,930	1,327,099	382,169
Total revenues	<u>19,143,885</u>	<u>19,951,247</u>	<u>20,180,240</u>	<u>228,993</u>
EXPENDITURES				
Current:				
General government	6,943,413	7,688,413	6,091,565	1,596,848
Public protection	4,294,492	4,294,492	3,134,130	1,160,362
Public assistance	119,998	119,998	115,422	4,576
Education	78,090	78,090	72,569	5,521
Recreation and culture	30,200	30,200	27,509	2,691
Capital outlay	324,447	324,447	172,113	152,334
Total expenditures	<u>11,790,640</u>	<u>12,535,640</u>	<u>9,613,308</u>	<u>2,922,332</u>
Revenues over (under) expenditures	<u>7,353,245</u>	<u>7,415,607</u>	<u>10,566,932</u>	<u>3,151,325</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	848,382	848,382	523,809	(324,573)
Transfers out	<u>(9,206,202)</u>	<u>(9,197,325)</u>	<u>(8,841,532)</u>	<u>355,793</u>
Total other financing sources (uses)	<u>(8,357,820)</u>	<u>(8,348,943)</u>	<u>(8,317,723)</u>	<u>31,220</u>
Net change in fund balance	<u>\$ (1,004,575)</u>	<u>\$ (933,336)</u>	2,249,209	<u>\$ 3,182,545</u>
Fund balance, beginning of year			<u>9,164,315</u>	
Fund balance, end of year			<u>\$ 11,413,524</u>	

**COUNTY OF LASSEN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ROAD FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Licenses and permits	\$ 12,000	\$ 12,000	\$ 8,528	\$ (3,472)
Intergovernmental	18,112,465	18,112,465	12,793,446	(5,319,019)
Charges for services	27,000	27,000	8,414	(18,586)
Use of money and property	40,000	40,000	144,914	104,914
Other revenues	<u>254,079</u>	<u>254,079</u>	<u>122,308</u>	<u>(131,771)</u>
Total revenues	<u>18,445,544</u>	<u>18,445,544</u>	<u>13,077,610</u>	<u>(5,367,934)</u>
EXPENDITURES				
Current:				
Public ways and facilities	5,382,550	5,382,550	4,858,879	523,671
Capital outlay	<u>15,397,656</u>	<u>15,397,656</u>	<u>8,667,494</u>	<u>6,730,162</u>
Total expenditures	<u>20,780,206</u>	<u>20,780,206</u>	<u>13,526,373</u>	<u>7,253,833</u>
Revenues over (under) expenditures	<u>(2,334,662)</u>	<u>(2,334,662)</u>	<u>(448,763)</u>	<u>1,885,899</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Net change in fund balance	<u>\$ (2,304,662)</u>	<u>\$ (2,304,662)</u>	<u>(448,763)</u>	<u>\$ 1,855,899</u>
Fund balance, beginning of year			<u>5,596,444</u>	
Fund balance, end of year			<u>\$ 5,147,681</u>	

**COUNTY OF LASSEN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**WELFARE ADMINISTRATION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 5,087,953	\$ 5,087,953	\$ 5,536,496	\$ 448,543
Charges for services	-	-	179	179
Other revenues	<u>113,561</u>	<u>113,561</u>	<u>120,197</u>	<u>6,636</u>
Total revenues	<u>5,201,514</u>	<u>5,201,514</u>	<u>5,656,872</u>	<u>455,358</u>
EXPENDITURES				
Current:				
Public assistance	<u>9,015,950</u>	<u>9,015,950</u>	<u>7,487,496</u>	<u>1,528,454</u>
Total expenditures	<u>9,015,950</u>	<u>9,015,950</u>	<u>7,487,496</u>	<u>1,528,454</u>
Revenues over (under) expenditures	<u>(3,814,436)</u>	<u>(3,814,436)</u>	<u>(1,830,624)</u>	<u>1,983,812</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>3,431,161</u>	<u>3,431,161</u>	<u>3,471,298</u>	<u>40,137</u>
Total other financing sources (uses)	<u>3,431,161</u>	<u>3,431,161</u>	<u>3,471,298</u>	<u>40,137</u>
Net change in fund balance	<u>\$ (383,275)</u>	<u>\$ (383,275)</u>	1,640,674	<u>\$ 2,023,949</u>
Fund balance, beginning of year			<u>3,782,268</u>	
Fund balance, end of year			<u>\$ 5,422,942</u>	

**COUNTY OF LASSEN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**WELFARE ASSISTANCE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 3,883,217	\$ 4,856,764	\$ 6,275,377	\$ 1,418,613
Other revenues	<u>70,000</u>	<u>70,000</u>	<u>80,940</u>	<u>10,940</u>
Total revenues	<u>3,953,217</u>	<u>4,926,764</u>	<u>6,356,317</u>	<u>1,429,553</u>
EXPENDITURES				
Current:				
Public assistance	<u>6,853,098</u>	<u>8,134,080</u>	<u>8,123,330</u>	<u>10,750</u>
Total expenditures	<u>6,853,098</u>	<u>8,134,080</u>	<u>8,123,330</u>	<u>10,750</u>
Revenues over (under) expenditures	<u>(2,899,881)</u>	<u>(3,207,316)</u>	<u>(1,767,013)</u>	<u>1,440,303</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,101,740	3,409,175	2,012,987	(1,396,188)
Transfers out	<u>(201,859)</u>	<u>(201,859)</u>	<u>(198,772)</u>	<u>3,087</u>
Total other financing sources (uses)	<u>2,899,881</u>	<u>3,207,316</u>	<u>1,814,215</u>	<u>(1,393,101)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	47,202	<u>\$ 47,202</u>
Fund balance, beginning of year			<u>7,532,227</u>	
Fund balance, end of year			<u>\$ 7,579,429</u>	

**COUNTY OF LASSEN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**HEALTH AND HUMAN SERVICES FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 3,680	\$ (1,320)
Intergovernmental	5,969,605	5,969,605	4,111,339	(1,858,266)
Charges for services	2,915,679	2,915,679	1,716,898	(1,198,781)
Fines and forfeitures	10,500	10,500	7,610	(2,890)
Use of money and property	127,250	127,250	271,957	144,707
Other revenues	<u>139,867</u>	<u>139,867</u>	<u>139,858</u>	<u>(9)</u>
Total revenues	<u>9,167,901</u>	<u>9,167,901</u>	<u>6,251,342</u>	<u>(2,916,559)</u>
EXPENDITURES				
Current:				
Public protection	191,732	191,732	174,148	17,584
Health and sanitation	11,488,277	11,499,638	8,401,179	3,098,459
Public assistance	2,259,980	2,259,980	1,199,965	1,060,015
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total expenditures	<u>13,999,989</u>	<u>14,011,350</u>	<u>9,775,292</u>	<u>4,236,058</u>
Revenues over (under) expenditures	<u>(4,832,088)</u>	<u>(4,843,449)</u>	<u>(3,523,950)</u>	<u>1,319,499</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,933,259	4,933,259	4,100,575	(832,684)
Transfers out	<u>(897,944)</u>	<u>(897,944)</u>	<u>(114,000)</u>	<u>783,944</u>
Total other financing sources (uses)	<u>4,035,315</u>	<u>4,035,315</u>	<u>3,986,575</u>	<u>(48,740)</u>
Net change in fund balance	<u>\$ (796,773)</u>	<u>\$ (808,134)</u>	462,625	<u>\$ 1,270,759</u>
Fund balance, beginning of year			<u>6,887,916</u>	
Fund balance, end of year			<u>\$ 7,350,541</u>	



**COUNTY OF LASSEN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**PUBLIC SAFETY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 100,000	\$ 100,000	\$ 104,324	\$ 4,324
Licenses and permits	10,000	10,000	9,977	(23)
Intergovernmental	2,424,500	2,424,500	2,307,896	(116,604)
Charges for services	486,377	486,377	377,458	(108,919)
Fines and forfeitures	-	-	7,710	7,710
Use of money and property	6,000	6,000	26,354	20,354
Other revenues	<u>777,332</u>	<u>777,332</u>	<u>765,903</u>	<u>(11,429)</u>
Total revenues	<u>3,804,209</u>	<u>3,804,209</u>	<u>3,599,622</u>	<u>(204,587)</u>
EXPENDITURES				
Current:				
General government	810,407	810,407	654,963	155,444
Public protection	13,756,298	13,753,792	12,327,741	1,426,051
Capital outlay	<u>331,530</u>	<u>334,036</u>	<u>104,823</u>	<u>229,213</u>
Total expenditures	<u>14,898,235</u>	<u>14,898,235</u>	<u>13,087,527</u>	<u>1,810,708</u>
Revenues over (under) expenditures	<u>(11,094,026)</u>	<u>(11,094,026)</u>	<u>(9,487,905)</u>	<u>1,606,121</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>10,244,403</u>	<u>10,230,526</u>	<u>9,893,327</u>	<u>(337,199)</u>
Total other financing sources (uses)	<u>10,244,403</u>	<u>10,230,526</u>	<u>9,893,327</u>	<u>(337,199)</u>
Net change in fund balance	<u>\$ (849,623)</u>	<u>\$ (863,500)</u>	405,422	<u>\$ 1,268,922</u>
Fund balance, beginning of year			<u>996,430</u>	
Fund balance, end of year			<u>\$ 1,401,852</u>	

**COUNTY OF LASSEN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**COUNTY LOCAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ 7,320,494	\$ 7,320,494	\$ 7,611,839	\$ 291,345
Other revenues	<u>-</u>	<u>-</u>	<u>11,824</u>	<u>11,824</u>
Total revenues	<u>7,320,494</u>	<u>7,320,494</u>	<u>7,623,663</u>	<u>303,169</u>
EXPENDITURES				
Current:				
Public protection	984,050	984,050	689,305	294,745
Debt service:				
Principal	-	-	80,069	(80,069)
Capital outlay	<u>75,000</u>	<u>75,000</u>	<u>400,345</u>	<u>(325,345)</u>
Total expenditures	<u>1,059,050</u>	<u>1,059,050</u>	<u>1,169,719</u>	<u>(110,669)</u>
Revenues over (under) expenditures	<u>6,261,444</u>	<u>6,261,444</u>	<u>6,453,944</u>	<u>192,500</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of capital lease	-	-	400,345	400,345
Transfers out	<u>(6,778,349)</u>	<u>(6,778,349)</u>	<u>(5,819,557)</u>	<u>958,792</u>
Total other financing sources (uses)	<u>(6,778,349)</u>	<u>(6,778,349)</u>	<u>(5,419,212)</u>	<u>1,359,137</u>
Net change in fund balance	<u>\$ (516,905)</u>	<u>\$ (516,905)</u>	1,034,732	<u>\$ 1,551,637</u>
Fund balance, beginning of year			<u>3,150,403</u>	
Fund balance, end of year			<u>\$ 4,185,135</u>	

**COUNTY OF LASSEN**  
**PROPORTIONATE SHARE OF NET PENSION LIABILITY - COST-SHARING PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**LAST 10 YEARS\***

	2015	2016	2017	2018	2019	2020
Proportion of the net pension liability	0.24280%	0.24360%	0.23440%	0.22690%	0.22730%	0.22470%
Proportionate share of the net pension liability	\$ 9,181,100	\$ 10,038,807	\$ 12,137,581	\$ 13,558,759	\$ 13,338,118	\$ 14,025,487
Covered payroll	\$ 2,892,309	\$ 2,934,651	\$ 3,009,642	\$ 3,061,933	\$ 3,411,392	\$ 3,361,551
Proportionate share of the net pension liability as percentage of covered payroll	317.43%	342.08%	403.29%	442.82%	390.99%	417.23%
Plan fiduciary net position as a percentage of the total pension liability	76.05%	73.82%	70.61%	70.75%	72.92%	73.15%

**Notes to Schedule:**

**Changes in Benefit Terms** - None

**Changes of Assumptions** - None

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

**COUNTY OF LASSEN**  
**SCHEDULE OF CONTRIBUTIONS - COST-SHARING PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**LAST 10 YEARS\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially required contribution (actuarially determined)	\$ 1,002,554	\$ 957,019	\$ 1,210,999	\$ 1,341,053	\$ 1,463,196	\$1,609,527	\$1,819,281
Contributions in relation to the actuarially determined contributions	<u>1,002,554</u>	<u>957,019</u>	<u>1,210,999</u>	<u>1,341,053</u>	<u>1,463,196</u>	<u>1,609,527</u>	<u>1,819,281</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,892,309	\$ 2,934,651	\$ 3,009,642	\$ 3,061,933	\$ 3,411,392	\$3,361,551	\$3,478,009
Contributions as a percentage of covered	34.66%	32.61%	40.24%	43.80%	42.89%	47.88%	52.31%

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

**COUNTY OF LASSEN**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**AGENT MULTIPLE EMPLOYER PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**LAST 10 YEARS\***

	2015	2016	2017	2018	2019	2020
<b>Total Pension Liability:</b>						
Service cost	\$ 2,549,991	\$ 2,314,595	\$ 2,312,659	\$ 2,585,135	\$ 2,738,532	\$ 2,718,354
Interest on total pension liability	7,479,108	7,878,496	8,288,074	8,501,019	8,908,234	9,380,954
Changes in benefit terms	-	-	-	-	-	-
Changes of assumptions	-	(1,876,185)	-	6,894,698	(772,838)	-
Differences between expected and actual experience	-	462,586	701,808	(1,200,769)	1,468,640	1,523,093
Benefit payments, including refunds of employee contributions	(5,140,550)	(5,324,219)	(5,755,683)	(5,997,063)	(6,329,626)	(6,766,978)
Net change in total pension liability	4,888,549	3,455,273	5,546,858	10,783,020	6,012,942	6,855,423
Total pension liability - beginning	101,016,724	105,905,273	109,360,546	114,907,404	125,690,424	131,703,366
Total pension liability - ending (a)	<u>\$ 105,905,273</u>	<u>\$ 109,360,546</u>	<u>\$ 114,907,404</u>	<u>\$ 125,690,424</u>	<u>\$ 131,703,366</u>	<u>\$ 138,558,789</u>
<b>Plan Fiduciary Net Position:</b>						
Plan to plan resource movement	\$ -	\$ 2,579	\$ (233)	\$ 37,601	\$ (231)	\$ -
Contributions - employer	1,910,144	1,759,112	2,024,304	2,301,324	2,620,469	3,040,426
Contributions - employee	1,216,676	1,081,585	1,149,564	1,112,227	1,212,019	1,225,685
Net investment income	13,609,094	2,005,219	448,970	9,606,169	7,908,533	6,445,207
Administrative expenses	(111,112)	(100,309)	(54,313)	(128,583)	(146,783)	(70,619)
Other Miscellaneous Income/(Expense) <sup>1</sup>	-	-	-	-	(278,743)	-
Benefit payments	(5,140,550)	(5,324,219)	(5,755,683)	(5,997,063)	(6,329,626)	(6,766,978)
Net change in plan fiduciary net position	11,484,252	(576,033)	(2,187,391)	6,931,675	4,985,638	3,873,721
Plan fiduciary net position beginning	78,075,396	89,559,648	88,983,615	86,796,224	93,727,899	98,713,537
Plan fiduciary net position - ending (b)	<u>89,559,648</u>	<u>88,983,615</u>	<u>86,796,224</u>	<u>93,727,899</u>	<u>98,713,537</u>	<u>102,587,258</u>
Net pension liability - ending (a)-(b)	<u>\$ 16,345,625</u>	<u>\$ 20,376,931</u>	<u>\$ 28,111,180</u>	<u>\$ 31,962,525</u>	<u>\$ 32,989,829</u>	<u>\$ 35,971,531</u>
Plan fiduciary net position as a percentage of the total pension liability	84.57%	81.37%	75.54%	74.57%	74.95%	74.04%
Covered payroll	14,663,071	14,454,495	14,850,738	15,779,786	16,586,516	16,943,333
Net pension liability as a percentage of covered payroll	111.47%	140.97%	189.29%	202.55%	198.90%	212.30%

**Notes to Schedule:**

Changes in Benefit Terms - None

Changes in Assumptions - None

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

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

**COUNTY OF LASSEN**  
**SCHEDULE OF CONTRIBUTIONS - AGENT MULTIPLE EMPLOYER PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**LAST 10 YEARS\***

	2014	2015	2016	2017	2018	2019	2020
Actuarially required contribution (actuarially determined)	\$ 1,712,500	\$ 1,759,112	\$ 2,024,304	\$ 2,301,324	\$ 2,620,469	\$ 3,040,426	\$ 3,485,097
Contributions in relation to the actuarially determined contributions	<u>1,712,500</u>	<u>1,759,112</u>	<u>2,024,304</u>	<u>2,301,324</u>	<u>2,620,469</u>	<u>3,040,426</u>	<u>3,485,097</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,663,071	\$ 14,454,495	\$ 14,850,738	\$ 15,779,786	\$ 16,586,516	\$16,943,333	\$15,844,949
Contributions as a percentage of covered payroll	11.68%	12.17%	13.63%	14.58%	15.80%	17.94%	22.00%

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

**COUNTY OF LASSEN**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**SINGLE EMPLOYER PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**LAST 10 YEARS\***

	2018	2019	2020
<b>Total OPEB Liability:</b>			
Service cost	\$ 246,072	\$ 263,297	\$ 270,539
Interest on total OPEB liability	479,336	497,839	517,865
Changes of assumptions	-	-	(255,748)
Differences between expected and actual experience	-	-	737,787
Benefit payments, including refunds of employee contributions	(450,614)	(506,000)	(466,483)
Net change in total OPEB liability	274,794	255,136	803,960
Total OPEB liability - beginning	6,826,893	7,101,687	7,356,823
Total OPEB liability - ending (a)	<u>\$ 7,101,687</u>	<u>\$ 7,356,823</u>	<u>\$ 8,160,783</u>
<b>Plan Fiduciary Net Position:</b>			
Contributions - employer (including implicit rate subsidy)	\$ 999,332	\$ 232,325	\$ 330,458
Net investment income	549,897	470,507	306,735
Benefit payments	(450,614)	(506,000)	(466,483)
Administrative expenses	(2,784)	(3,098)	(23,225)
Other expense	-	(7,875)	-
Net change in plan fiduciary net position	1,095,831	185,859	147,485
Plan fiduciary net position beginning	4,625,401	5,721,232	5,907,091
Plan fiduciary net position - ending (b)	<u>5,721,232</u>	<u>5,907,091</u>	<u>6,054,576</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 1,380,455</u>	<u>\$ 1,449,732</u>	<u>\$ 2,106,207</u>
Plan fiduciary net position as a percentage of the total OPEB liability	80.56%	80.29%	74.19%
Covered payroll	18,841,719	19,997,908	20,304,884
Net OPEB liability as a percentage of covered payroll	7.33%	7.25%	10.37%

The following assumptions have been updated since the prior valuation:

**Changes in Assumptions**

- 1) Mortality table has been updated from CalPERS 2014 pension valuation to CalPERS 2017 pension valuation.
- 2) Retirement rates have been updated to the most recent CalPERS rates.
- 3) Termination rates have been updated to the most recent CalPERS rates.
- 4) Salary scale assumptions have been updated to the most recent CalPERS rates.
- 5) Health care trend rates have been updated to an initial rate of 6.5% decreasing by 0.5% annually to an ultimate rate of 5.0%.

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

**COUNTY OF LASSEN**  
**SCHEDULE OF CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**LAST 10 YEARS\***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially required contribution (actuarially determined)	\$ 425,948	\$ 390,610	\$ 399,062	\$ 466,483
Contributions in relation to the actuarially determined contributions	<u>999,332</u>	<u>-</u>	<u>330,458</u>	<u>643,264</u>
Contribution deficiency (excess)	<u>\$ (573,384)</u>	<u>\$ 390,610</u>	<u>\$ 68,604</u>	<u>\$ (176,781)</u>
Covered payroll	\$ 18,841,719	\$ 19,997,908	\$ 20,304,884	\$ 19,000,000
Contributions as a percentage of covered payroll	5.30%	0.00%	1.63%	3.39%

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



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## SUPPLEMENTARY INFORMATION

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## NONMAJOR GOVERNMENTAL FUNDS

**COUNTY OF LASSEN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Special Revenue Funds				
	DA Contracts	Sheriff Contracts	HHS Contracts	Fish & Game	Mental Health Services Act
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 233,637	\$ 225,597	\$ 7,963	\$ 2,087,341
Imprest cash	-	-	-	-	-
Due from other governmental entities	90,108	37,510	-	-	233,033
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 90,108</u>	<u>\$ 271,147</u>	<u>\$ 225,597</u>	<u>\$ 7,963</u>	<u>\$ 2,320,374</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 30,551	\$ -	\$ -	\$ 6,320
Accrued salaries	10,513	2,333	10,077	-	-
Due to other governmental entities	-	-	-	-	-
Due to other funds	81,293	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>91,806</u>	<u>32,884</u>	<u>10,077</u>	<u>-</u>	<u>6,320</u>
<b>FUND BALANCES (DEFICIT)</b>					
Restricted	-	-	215,520	-	2,314,054
Assigned	-	238,263	-	7,963	-
Unassigned	<u>(1,698)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>(1,698)</u>	<u>238,263</u>	<u>215,520</u>	<u>7,963</u>	<u>2,314,054</u>
Total liabilities and fund balances (deficit)	<u>\$ 90,108</u>	<u>\$ 271,147</u>	<u>\$ 225,597</u>	<u>\$ 7,963</u>	<u>\$ 2,320,374</u>

**COUNTY OF LASSEN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Special Revenue Funds				
	Cemetery	Aviation	TCF/Bailiff	Supplemental Law Enforcement	Vital Statistics
<b>ASSETS</b>					
Cash and investments	\$ 124,845	\$ 409,965	\$ 73,951	\$ 87,644	\$ 92,011
Imprest cash	-	-	-	-	-
Due from other governmental entities	-	-	33,273	126,911	-
Accounts receivable	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 137,345</u>	<u>\$ 409,965</u>	<u>\$ 107,224</u>	<u>\$ 214,555</u>	<u>\$ 92,011</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries	3,871	505	15,627	-	-
Due to other governmental entities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>16,371</u>	<u>505</u>	<u>15,627</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>					
Restricted	-	409,460	91,597	214,555	92,011
Assigned	120,974	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>120,974</u>	<u>409,460</u>	<u>91,597</u>	<u>214,555</u>	<u>92,011</u>
Total liabilities and fund balances (deficit)	<u>\$ 137,345</u>	<u>\$ 409,965</u>	<u>\$ 107,224</u>	<u>\$ 214,555</u>	<u>\$ 92,011</u>

**COUNTY OF LASSEN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Special Revenue Funds				
	Recorder Micrographics	Recorder Modernization	Recorder AB130	Inmate Welfare County	Narcotics Asset Forfeiture
<b>ASSETS</b>					
Cash and investments	\$ 170,169	\$ 123,245	\$ 60,066	\$ 116,640	\$ 1,250
Imprest cash	-	-	-	-	-
Due from other governmental entities	-	-	-	-	-
Accounts receivable	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 170,169</u>	<u>\$ 123,245</u>	<u>\$ 60,066</u>	<u>\$ 116,640</u>	<u>\$ 1,250</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	1,065	-
Due to other governmental entities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,065</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>					
Restricted	170,169	123,245	60,066	115,575	1,250
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>170,169</u>	<u>123,245</u>	<u>60,066</u>	<u>115,575</u>	<u>1,250</u>
Total liabilities and fund balances (deficit)	<u>\$ 170,169</u>	<u>\$ 123,245</u>	<u>\$ 60,066</u>	<u>\$ 116,640</u>	<u>\$ 1,250</u>

**COUNTY OF LASSEN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Special Revenue Funds				
	Narcotics Task Force	Bieber Lighting District	Lassen-Modoc Flood	Natural Resources	Geothermal
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 31,729	\$ 174,463	\$ -	\$ 302,045
Imprest cash	-	-	-	-	-
Due from other governmental entities	82,425	-	-	-	-
Accounts receivable	-	-	-	9,769	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,769</u>	<u>-</u>
Total assets	<u>\$ 82,425</u>	<u>\$ 31,729</u>	<u>\$ 174,463</u>	<u>\$ 9,769</u>	<u>\$ 302,045</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries	3,392	-	-	2,941	-
Due to other governmental entities	-	-	-	-	-
Due to other funds	24,991	-	-	646	-
Unearned revenue	-	-	-	9,769	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,769</u>	<u>-</u>
Total liabilities	<u>28,383</u>	<u>-</u>	<u>-</u>	<u>13,356</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>					
Restricted	54,042	31,729	174,463	-	302,045
Assigned	-	-	-	-	-
Unassigned	-	-	-	(3,587)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,587)</u>	<u>-</u>
Total fund balances (deficit)	<u>54,042</u>	<u>31,729</u>	<u>174,463</u>	<u>(3,587)</u>	<u>302,045</u>
Total liabilities and fund balances (deficit)	<u>\$ 82,425</u>	<u>\$ 31,729</u>	<u>\$ 174,463</u>	<u>\$ 9,769</u>	<u>\$ 302,045</u>



**COUNTY OF LASSEN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Special Revenue Funds				
	Mental Health Realignment	Social Services Realignment	Public Health Realignment	County Children's	Fair
<b>ASSETS</b>					
Cash and investments	\$ 1,026,396	\$ 2,553,801	\$ 29,433	\$ 17,862	\$ 22,448
Imprest cash	-	-	-	-	359
Due from other governmental entities	182,368	368,715	93,289	-	-
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 1,208,764</u>	<u>\$ 2,922,516</u>	<u>\$ 122,722</u>	<u>\$ 17,862</u>	<u>\$ 22,807</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 11,788
Accrued salaries	-	-	-	-	11,690
Due to other governmental entities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,478</u>
<b>FUND BALANCES (DEFICIT)</b>					
Restricted	1,208,764	2,922,516	122,722	17,862	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(671)
Total fund balances (deficit)	<u>1,208,764</u>	<u>2,922,516</u>	<u>122,722</u>	<u>17,862</u>	<u>(671)</u>
Total liabilities and fund balances (deficit)	<u>\$ 1,208,764</u>	<u>\$ 2,922,516</u>	<u>\$ 122,722</u>	<u>\$ 17,862</u>	<u>\$ 22,807</u>

**COUNTY OF LASSEN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Special Revenue Funds				
	Prop 56 Tobacco	USDA Title III	Probation	Child Support	Prison Trial Program
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 208,475	\$ 169,259	\$ 185,854	\$ 88,343
Imprest cash	-	-	-	-	-
Due from other governmental entities	299,181	-	186,118	-	84,533
Accounts receivable	-	-	23,874	-	-
Total assets	<u>\$ 299,181</u>	<u>\$ 208,475</u>	<u>\$ 379,251</u>	<u>\$ 185,854</u>	<u>\$ 172,876</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 8,197	\$ 5,500
Accrued salaries	11,167	-	43,519	19,803	-
Due to other governmental entities	-	-	6,600	-	-
Due to other funds	273,196	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>284,363</u>	<u>-</u>	<u>50,119</u>	<u>28,000</u>	<u>5,500</u>
<b>FUND BALANCES (DEFICIT)</b>					
Restricted	14,818	208,475	-	157,854	-
Assigned	-	-	329,132	-	167,376
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>14,818</u>	<u>208,475</u>	<u>329,132</u>	<u>157,854</u>	<u>167,376</u>
Total liabilities and fund balances (deficit)	<u>\$ 299,181</u>	<u>\$ 208,475</u>	<u>\$ 379,251</u>	<u>\$ 185,854</u>	<u>\$ 172,876</u>

**COUNTY OF LASSEN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Special Revenue Fund		Total
	Sheriff DNA	Coronavirus Relief Fund	Special Revenue Funds
<b>ASSETS</b>			
Cash and investments	\$ 202,677	\$ -	\$ 8,827,109
Imprest cash	-	-	359
Due from other governmental entities	-	-	1,817,464
Accounts receivable	-	-	46,143
Total assets	<u>\$ 202,677</u>	<u>\$ -</u>	<u>\$ 10,691,075</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 62,356
Accrued salaries	-	-	136,503
Due to other governmental entities	-	-	6,600
Due to other funds	-	320,920	701,046
Unearned revenue	-	-	22,269
Total liabilities	<u>-</u>	<u>320,920</u>	<u>928,774</u>
<b>FUND BALANCES (DEFICIT)</b>			
Restricted	202,677	-	9,225,469
Assigned	-	-	863,708
Unassigned	-	(320,920)	(326,876)
Total fund balances (deficit)	<u>202,677</u>	<u>(320,920)</u>	<u>9,762,301</u>
Total liabilities and fund balances (deficit)	<u>\$ 202,677</u>	<u>\$ -</u>	<u>\$ 10,691,075</u>

**COUNTY OF LASSEN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Capital Projects Funds				
	Criminal Justice Facility Construction	Capital Improvements	Capital Improvements Lease	Accumulated Capital Outlay	Courthouse Construction
<b>ASSETS</b>					
Cash and investments	\$ 334,484	\$ 16,443	\$ 717,727	\$ 446,488	\$ 470,720
Imprest cash	-	-	-	-	-
Due from other governmental entities	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 334,484</u>	<u>\$ 16,443</u>	<u>\$ 717,727</u>	<u>\$ 446,488</u>	<u>\$ 470,720</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-	-
Due to other governmental entities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>					
Restricted	334,484	-	-	-	470,720
Assigned	-	16,443	717,727	446,488	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>334,484</u>	<u>16,443</u>	<u>717,727</u>	<u>446,488</u>	<u>470,720</u>
Total liabilities and fund balances (deficit)	<u>\$ 334,484</u>	<u>\$ 16,443</u>	<u>\$ 717,727</u>	<u>\$ 446,488</u>	<u>\$ 470,720</u>

**COUNTY OF LASSEN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Capital Projects Funds			Total Capital Projects Funds
	Fair Improvement	CCF Equipment Replacement	Jail Facilities Construction	
<b>ASSETS</b>				
Cash and investments	\$ 327	\$ -	\$ 49,646	\$ 2,035,835
Imprest cash	-	-	-	-
Due from other governmental entities	-	-	-	-
Accounts receivable	-	-	-	-
				-
Total assets	<u>\$ 327</u>	<u>\$ -</u>	<u>\$ 49,646</u>	<u>\$ 2,035,835</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other governmental entities	-	-	-	-
Due to other funds	-	115,649	-	115,649
Unearned revenue	-	-	-	-
				-
Total liabilities	<u>-</u>	<u>115,649</u>	<u>-</u>	<u>115,649</u>
<b>FUND BALANCES (DEFICIT)</b>				
Restricted	-	-	-	805,204
Assigned	327	-	49,646	1,230,631
Unassigned	<u>-</u>	<u>(115,649)</u>	<u>-</u>	<u>(115,649)</u>
Total fund balances (deficit)	<u>327</u>	<u>(115,649)</u>	<u>49,646</u>	<u>1,920,186</u>
Total liabilities and fund balances (deficit)	<u>\$ 327</u>	<u>\$ -</u>	<u>\$ 49,646</u>	<u>\$ 2,035,835</u>

**COUNTY OF LASSEN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Debt Service Fund	Total Debt Service Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 3,340	\$ 3,340	\$ 10,866,284
Imprest cash	-	-	359
Due from other governmental entities	-	-	1,817,464
Accounts receivable	-	-	46,143
	<u>-</u>	<u>-</u>	<u>46,143</u>
Total assets	<u>\$ 3,340</u>	<u>\$ 3,340</u>	<u>\$ 12,730,250</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 62,356
Accrued salaries	-	-	136,503
Due to other governmental entities	-	-	6,600
Due to other funds	-	-	816,695
Unearned revenue	-	-	22,269
	<u>-</u>	<u>-</u>	<u>22,269</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>1,044,423</u>
<b>FUND BALANCES (DEFICIT)</b>			
Restricted	-	-	10,030,673
Assigned	3,340	3,340	2,097,679
Unassigned	-	-	(442,525)
	<u>-</u>	<u>-</u>	<u>(442,525)</u>
Total fund balances (deficit)	<u>3,340</u>	<u>3,340</u>	<u>11,685,827</u>
Total liabilities and fund balances (deficit)	<u>\$ 3,340</u>	<u>\$ 3,340</u>	<u>\$ 12,730,250</u>

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Special Revenue Funds				
	DA Contracts	Sheriff Contracts	HHS Contracts	Fish & Game	Mental Health Services Act
<b>REVENUES</b>					
Taxes	\$ -	\$ 20,627	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	418,104	106,825	315,360	-	2,659,744
Charges for services	-	-	-	-	810
Fines and forfeitures	-	-	-	5,110	-
Use of money and property	-	8,035	8,159	-	73,872
Other revenues	-	-	1,572	-	14,421
Total revenues	<u>418,104</u>	<u>135,487</u>	<u>325,091</u>	<u>5,110</u>	<u>2,748,847</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public protection	378,765	64,669	-	1,225	-
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	312,165	-	2,341,051
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	47,965	47,580	-	-	221,851
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>426,730</u>	<u>112,249</u>	<u>312,165</u>	<u>1,225</u>	<u>2,562,902</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,626)</u>	<u>23,238</u>	<u>12,926</u>	<u>3,885</u>	<u>185,945</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	1,000	-
Transfers out	-	-	-	-	(313,093)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>(313,093)</u>
Net changes in fund balances	(8,626)	23,238	12,926	4,885	(127,148)
Fund balances - beginning of year	<u>6,928</u>	<u>215,025</u>	<u>202,594</u>	<u>3,078</u>	<u>2,441,202</u>
Fund balances - end of year	<u>\$ (1,698)</u>	<u>\$ 238,263</u>	<u>\$ 215,520</u>	<u>\$ 7,963</u>	<u>\$ 2,314,054</u>

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Special Revenue Funds				
	Cemetery	Aviation	TCF/Bailiff	Supplemental Law Enforcement	Vital Statistics
<b>REVENUES</b>					
Taxes	\$ 123,668	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,062	-	-	-	-
Intergovernmental	1,078	80,000	291,528	863,605	-
Charges for services	-	-	295,672	-	4,626
Fines and forfeitures	-	-	-	-	-
Use of money and property	4,061	15,691	-	6,046	3,443
Other revenues	25,253	7,041	15,109	-	-
Total revenues	155,122	102,732	602,309	869,651	8,069
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public protection	155,871	-	613,507	121,915	2,703
Public ways and facilities	-	30,968	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	59,766	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	155,871	90,734	613,507	121,915	2,703
Excess (deficiency) of revenues over (under) expenditures	(749)	11,998	(11,198)	747,736	5,366
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	50,000	-	-	-	-
Transfers out	-	(50,000)	-	(715,041)	-
Total other financing sources (uses)	50,000	(50,000)	-	(715,041)	-
Net changes in fund balances	49,251	(38,002)	(11,198)	32,695	5,366
Fund balances - beginning of year	71,723	447,462	102,795	181,860	86,645
Fund balances - end of year	\$ 120,974	\$ 409,460	\$ 91,597	\$ 214,555	\$ 92,011



**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Special Revenue Funds				
	Recorder Micrographics	Recorder Modernization	Recorder AB130	Inmate Welfare County	Narcotics Asset Forfeiture
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	6,811	21,045	30,730	21,535	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	6,337	4,824	2,177	4,453	47
Other revenues	-	-	-	70,657	34
Total revenues	<u>13,148</u>	<u>25,869</u>	<u>32,907</u>	<u>96,645</u>	<u>81</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public protection	1,644	45,530	2,640	101,204	-
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	8,374	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>1,644</u>	<u>53,904</u>	<u>2,640</u>	<u>101,204</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,504</u>	<u>(28,035)</u>	<u>30,267</u>	<u>(4,559)</u>	<u>81</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(15,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	11,504	(28,035)	15,267	(4,559)	81
Fund balances - beginning of year	<u>158,665</u>	<u>151,280</u>	<u>44,799</u>	<u>120,134</u>	<u>1,169</u>
Fund balances - end of year	<u>\$ 170,169</u>	<u>\$ 123,245</u>	<u>\$ 60,066</u>	<u>\$ 115,575</u>	<u>\$ 1,250</u>

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Special Revenue Funds				
	Narcotics Task Force	Bieber Lighting District	Lassen-Modoc Flood	Natural Resources	Geothermal
<b>REVENUES</b>					
Taxes	\$ -	\$ 2,962	\$ 10,214	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	145,533	26	86	11,136	43,562
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	1,069	1,186	6,501	185	11,029
Other revenues	-	-	-	1,795	-
Total revenues	<u>146,602</u>	<u>4,174</u>	<u>16,801</u>	<u>13,116</u>	<u>54,591</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	2,581	-	-	-
Public protection	108,648	-	-	-	21,031
Public ways and facilities	-	-	7,441	-	-
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	94,186	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>108,648</u>	<u>2,581</u>	<u>7,441</u>	<u>94,186</u>	<u>21,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,954</u>	<u>1,593</u>	<u>9,360</u>	<u>(81,070)</u>	<u>33,560</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	54,971	-
Transfers out	(51,500)	-	-	-	-
Total other financing sources (uses)	<u>(51,500)</u>	<u>-</u>	<u>-</u>	<u>54,971</u>	<u>-</u>
Net changes in fund balances	(13,546)	1,593	9,360	(26,099)	33,560
Fund balances - beginning of year	<u>67,588</u>	<u>30,136</u>	<u>165,103</u>	<u>22,512</u>	<u>268,485</u>
Fund balances - end of year	<u>\$ 54,042</u>	<u>\$ 31,729</u>	<u>\$ 174,463</u>	<u>\$ (3,587)</u>	<u>\$ 302,045</u>

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Special Revenue Funds				
	Mental Health Realignment	Social Services Realignment	Public Health Realignment	County Children's	Fair
<b>REVENUES</b>					
Taxes	\$ 1,094,208	\$ 2,287,459	\$ 51,234	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	23,324	104,029	1,365,146	-	163,303
Charges for services	-	-	-	2,894	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	42,012	100,284	5,383	700	413,915
Other revenues	-	-	-	55	2,531
Total revenues	<u>1,159,544</u>	<u>2,491,772</u>	<u>1,421,763</u>	<u>3,649</u>	<u>579,749</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	691,221
Public protection	-	-	-	-	-
Public ways and facilities	-	-	-	-	-
Health and sanitation	17,030	-	29,915	-	-
Public assistance	-	-	-	7,131	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>17,030</u>	<u>-</u>	<u>29,915</u>	<u>7,131</u>	<u>691,221</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,142,514</u>	<u>2,491,772</u>	<u>1,391,848</u>	<u>(3,482)</u>	<u>(111,472)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	105,000
Transfers out	<u>(1,185,545)</u>	<u>(2,161,850)</u>	<u>(1,484,196)</u>	<u>-</u>	<u>(1,303)</u>
Total other financing sources (uses)	<u>(1,185,545)</u>	<u>(2,161,850)</u>	<u>(1,484,196)</u>	<u>-</u>	<u>103,697</u>
Net changes in fund balances	(43,031)	329,922	(92,348)	(3,482)	(7,775)
Fund balances - beginning of year	<u>1,251,795</u>	<u>2,592,594</u>	<u>215,070</u>	<u>21,344</u>	<u>7,104</u>
Fund balances - end of year	<u>\$ 1,208,764</u>	<u>\$ 2,922,516</u>	<u>\$ 122,722</u>	<u>\$ 17,862</u>	<u>\$ (671)</u>

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Special Revenue Funds				
	Prop 56 Tobacco	USDA Title III	Probation	Child Support	Prison Trial Program
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	344,958	99,794	831,415	978,593	943,650
Charges for services	-	-	123,397	-	-
Fines and forfeitures	-	-	659,074	-	-
Use of money and property	-	8,041	4,986	7,387	-
Other revenues	-	-	139,720	6,138	-
Total revenues	<u>344,958</u>	<u>107,835</u>	<u>1,758,592</u>	<u>992,118</u>	<u>943,650</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public protection	335,808	32,072	2,510,834	1,008,836	922,288
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	7,508	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>335,808</u>	<u>39,580</u>	<u>2,510,834</u>	<u>1,008,836</u>	<u>922,288</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,150</u>	<u>68,255</u>	<u>(752,242)</u>	<u>(16,718)</u>	<u>21,362</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	804,791	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>804,791</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	9,150	68,255	52,549	(16,718)	21,362
Fund balances - beginning of year	<u>5,668</u>	<u>140,220</u>	<u>276,583</u>	<u>174,572</u>	<u>146,014</u>
Fund balances - end of year	<u>\$ 14,818</u>	<u>\$ 208,475</u>	<u>\$ 329,132</u>	<u>\$ 157,854</u>	<u>\$ 167,376</u>

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Special Revenue Funds		Total
	Sheriff DNA	Coronavirus Relief Fund	Special Revenue Funds
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 3,590,372
Licenses and permits	-	-	1,062
Intergovernmental	-	-	9,790,799
Charges for services	-	-	507,520
Fines and forfeitures	16,352	-	680,536
Use of money and property	4,225	-	744,048
Other revenues	-	-	284,326
Total revenues	20,577	-	15,598,663
<b>EXPENDITURES</b>			
Current:			
General government	-	320,920	1,014,722
Public protection	2,300	-	6,431,490
Public ways and facilities	-	-	38,409
Health and sanitation	-	-	2,700,161
Public assistance	-	-	7,131
Recreation and culture	-	-	94,186
Capital outlay	-	-	393,044
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	2,300	320,920	10,679,143
Excess (deficiency) of revenues over (under) expenditures	18,277	(320,920)	4,919,520
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	1,015,762
Transfers out	-	-	(5,977,528)
Total other financing sources (uses)	-	-	(4,961,766)
Net changes in fund balances	18,277	(320,920)	(42,246)
Fund balances - beginning of year	184,400	-	9,804,547
Fund balances - end of year	\$ 202,677	\$ (320,920)	\$ 9,762,301

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Capital Projects Funds				
	Criminal Justice Facility Construction	Capital Improvements	Capital Improvements Lease	Accumulated Capital Outlay	Courthouse Construction
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ 257,849	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	2,247	-
Charges for services	-	-	-	215,274	-
Fines and forfeitures	60,038	-	-	-	102,339
Use of money and property	12,037	843	26,901	-	16,789
Other revenues	420	-	-	-	-
Total revenues	<u>72,495</u>	<u>843</u>	<u>26,901</u>	<u>475,370</u>	<u>119,128</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	9,300	-	48,361	-
Public protection	478	-	-	-	-
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	49,673	-	171,342	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>478</u>	<u>58,973</u>	<u>-</u>	<u>219,703</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>72,017</u>	<u>(58,130)</u>	<u>26,901</u>	<u>255,667</u>	<u>119,128</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	38,888	-	-	-
Transfers out	-	-	-	(438,888)	-
Total other financing sources (uses)	<u>-</u>	<u>38,888</u>	<u>-</u>	<u>(438,888)</u>	<u>-</u>
Net changes in fund balances	72,017	(19,242)	26,901	(183,221)	119,128
Fund balances - beginning of year	<u>262,467</u>	<u>35,685</u>	<u>690,826</u>	<u>629,709</u>	<u>351,592</u>
Fund balances - end of year	<u>\$ 334,484</u>	<u>\$ 16,443</u>	<u>\$ 717,727</u>	<u>\$ 446,488</u>	<u>\$ 470,720</u>

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Capital Projects Funds			Total Capital Projects Funds
	Fair Improvement	CCF Equipment Replacement	Jail Facilities Construction	
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 257,849
Licenses and permits	-	-	-	-
Intergovernmental	-	7,119	-	9,366
Charges for services	-	-	-	215,274
Fines and forfeitures	-	-	-	162,377
Use of money and property	(88)	-	-	56,482
Other revenues	250	-	-	670
Total revenues	162	7,119	-	702,018
<b>EXPENDITURES</b>				
Current:				
General government	4,406	-	-	62,067
Public protection	-	73,973	353	74,804
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	53,652	-	274,667
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	4,406	127,625	353	411,538
Excess (deficiency) of revenues over (under) expenditures	(4,244)	(120,506)	(353)	290,480
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,303	-	31,328	71,519
Transfers out	-	-	-	(438,888)
Total other financing sources (uses)	1,303	-	31,328	(367,369)
Net changes in fund balances	(2,941)	(120,506)	30,975	(76,889)
Fund balances - beginning of year	3,268	4,857	18,671	1,997,075
Fund balances - end of year	\$ 327	\$ (115,649)	\$ 49,646	\$ 1,920,186

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Debt Service Fund	Debt Service Total	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 3,848,221
Licenses and permits	-	-	1,062
Intergovernmental	-	-	9,800,165
Charges for services	-	-	722,794
Fines and forfeitures	-	-	842,913
Use of money and property	-	-	800,530
Other revenues	-	-	284,996
	<u>-</u>	<u>-</u>	<u>16,300,681</u>
Total revenues	<u>-</u>	<u>-</u>	<u>16,300,681</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	1,076,789
Public protection	-	-	6,506,294
Public ways and facilities	-	-	38,409
Health and sanitation	-	-	2,700,161
Public assistance	-	-	7,131
Recreation and culture	-	-	94,186
Capital outlay	-	-	667,711
Debt service:			
Principal	160,287	160,287	160,287
Interest	139,927	139,927	139,927
	<u>300,214</u>	<u>300,214</u>	<u>11,390,895</u>
Total expenditures	<u>300,214</u>	<u>300,214</u>	<u>11,390,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(300,214)</u>	<u>(300,214)</u>	<u>4,909,786</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	301,000	301,000	1,388,281
Transfers out	-	-	(6,416,416)
	<u>301,000</u>	<u>301,000</u>	<u>(5,028,135)</u>
Total other financing sources (uses)	<u>301,000</u>	<u>301,000</u>	<u>(5,028,135)</u>
Net changes in fund balances	786	786	(118,349)
Fund balances - beginning of year	<u>2,554</u>	<u>2,554</u>	<u>11,804,176</u>
Fund balances - end of year	<u>\$ 3,340</u>	<u>\$ 3,340</u>	<u>\$ 11,685,827</u>



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## INTERNAL SERVICE FUNDS

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2020**

	Information Services	Fleet Maintenance	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 533,959	\$ 1,357,557	\$ 1,891,516
Total current assets	<u>533,959</u>	<u>1,357,557</u>	<u>1,891,516</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	123,450	-	123,450
Depreciable, net	<u>172,533</u>	<u>753,469</u>	<u>926,002</u>
Total noncurrent assets	<u>295,983</u>	<u>753,469</u>	<u>1,049,452</u>
Total assets	<u>829,942</u>	<u>2,111,026</u>	<u>2,940,968</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows from pensions	49,092	83,545	132,637
Deferred outflows from OPEB	<u>-</u>	<u>8,030</u>	<u>8,030</u>
Total deferred outflows of resources	<u>49,092</u>	<u>91,575</u>	<u>140,667</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	151,805	-	151,805
Due to other governments	8,550	-	8,550
Salaries and benefits payable	<u>10,589</u>	<u>4,465</u>	<u>15,054</u>
Total current liabilities	<u>170,944</u>	<u>4,465</u>	<u>175,409</u>
Noncurrent liabilities:			
Net pension liability	381,298	676,265	1,057,563
Net OPEB Liability	<u>-</u>	<u>13,122</u>	<u>13,122</u>
Total noncurrent liabilities	<u>381,298</u>	<u>689,387</u>	<u>1,070,685</u>
Total liabilities	<u>552,242</u>	<u>693,852</u>	<u>1,246,094</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows from pensions	6,482	9,644	16,126
Deferred inflows from OPEB	<u>-</u>	<u>1,623</u>	<u>1,623</u>
Total deferred inflows of resources	<u>6,482</u>	<u>11,267</u>	<u>17,749</u>
<b>NET POSITION</b>			
Net investment in capital assets	295,983	753,469	1,049,452
Unrestricted	<u>24,327</u>	<u>744,013</u>	<u>768,340</u>
Total net position	<u>\$ 320,310</u>	<u>\$ 1,497,482</u>	<u>\$ 1,817,792</u>

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Information Services	Fleet Maintenance	Total
Operating revenues:			
Charges for services	\$ 788,000	\$ 589,301	\$ 1,377,301
Other revenue	<u>3,137</u>	<u>491</u>	<u>3,628</u>
Total operating revenues	<u>791,137</u>	<u>589,792</u>	<u>1,380,929</u>
Operating expenses:			
Salaries and benefits	349,566	656,844	1,006,410
Services and supplies	433,212	120,853	554,065
Depreciation	<u>49,627</u>	<u>325,298</u>	<u>374,925</u>
Total operating expenses	<u>832,405</u>	<u>1,102,995</u>	<u>1,935,400</u>
Operating income (loss)	<u>(41,268)</u>	<u>(513,203)</u>	<u>(554,471)</u>
Nonoperating revenues (expenses):			
Investment earnings	<u>20,007</u>	<u>48,426</u>	<u>68,433</u>
Total nonoperating revenues (expenses)	<u>20,007</u>	<u>48,426</u>	<u>68,433</u>
Change in net position	(21,261)	(464,777)	(486,038)
Net position, beginning of year	<u>341,571</u>	<u>1,962,259</u>	<u>2,303,830</u>
Net position, end of year	<u><u>\$ 320,310</u></u>	<u><u>\$ 1,497,482</u></u>	<u><u>\$ 1,817,792</u></u>

**COUNTY OF LASSEN**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Information Services	Fleet Maintenance	Total
Cash flows from operating activities:			
Cash received from interfund services provided	\$ 791,137	\$ 589,792	\$ 1,380,929
Cash paid to suppliers for goods and services	(281,274)	(120,853)	(402,127)
Cash paid to employees for services	(280,290)	(176,986)	(457,276)
Net cash provided by (used for) operating activities	<u>229,573</u>	<u>291,953</u>	<u>521,526</u>
Cash flows from capital and related financing activities:			
Payment for the acquisition of capital assets	(173,926)	(542,974)	(716,900)
Net cash provided by (used for) capital and related financing activities	<u>(173,926)</u>	<u>(542,974)</u>	<u>(716,900)</u>
Cash flows from investing activities:			
Investment earnings	20,007	48,426	68,433
Net cash provided by (used for) investing activities	<u>20,007</u>	<u>48,426</u>	<u>68,433</u>
Net increase (decrease) in cash and cash equivalents	75,654	(202,595)	(126,941)
Cash and cash equivalents, beginning of year	<u>458,305</u>	<u>1,560,152</u>	<u>2,018,457</u>
Cash and cash equivalents, end of year	<u><u>\$ 533,959</u></u>	<u><u>\$ 1,357,557</u></u>	<u><u>\$ 1,891,516</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ (41,268)	\$ (513,203)	\$ (554,471)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	49,627	325,298	374,925
(Increase) decrease in deferred outflows of resources for pensions	1,523	(54,105)	(52,582)
(Increase) decrease in deferred outflows of resources for OPEB	2,257	(6,074)	(3,817)
Increase (decrease) in accounts payable	143,388	-	143,388
Increase (decrease) in due to other governments	8,550	-	8,550
Increase (decrease) in accrued salaries	1,834	1,311	3,145
Increase (decrease) in net pension liability	74,493	527,811	602,304
Increase (decrease) in net OPEB liability	(9,902)	4,540	(5,362)
Increase (decrease) in deferred inflows of resources for pensions	229	5,756	5,985
Increase (decrease) in deferred inflows of resources for OPEB	(1,158)	619	(539)
Net cash provided by (used for) operating activities	<u><u>\$ 229,573</u></u>	<u><u>\$ 291,953</u></u>	<u><u>\$ 521,526</u></u>