

COUNTY OF PLUMAS, CALIFORNIA



**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2018**

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COUNTY OF PLUMAS
Annual Financial Report
For the Year Ended June 30, 2018

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INTRODUCTORY SECTION

- **County Officials**

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COUNTY OF PLUMAS
County Officials
For the Year Ended June 30, 2018

ELECTED OFFICIALS

Supervisor, District 1.....	Michael Sanchez
Supervisor, District 2.....	Kevin Goss
Supervisor, District 3.....	Sherrie Thrall
Supervisor, District 4.....	Lori Simpson
Supervisor, District 5.....	Jeff Engel
Assessor.....	Charles Leonhardt
Auditor/Controller.....	Roberta Allen
Clerk/Recorder.....	Kathleen Williams
District Attorney and Public Administrator.....	David Hollister
Sheriff/Coroner.....	Greg Hagwood
Treasurer/Tax Collector/Collections.....	Julie White

DEPARTMENT DIRECTORS/ADMINISTRATORS

Administrative Officer, General Services.....	Vacant
Agricultural Commissioner/Sealer of Weights and Measure/Animal Control.....	Tim W. Gibson
Building.....	Charles White
Child Support Services.....	Michelle Blackford
Clerk of the Board of Supervisors.....	Nancy Daorno
County Counsel	Craig Settlemire
Environmental Health Director.....	Jerry Sipe
Facility Services.....	Kevin Correira
Fair.....	John Steffanic
Farm Advisor.....	David Lyle
Human Resources.....	Nancy Selvage
Information Technology.....	Dave Preston
Librarian.....	Lindsay Fuchs
Behavioral Health.....	Anthony Hobson
Museum.....	Scott Lawson
Office of Emergency Services.....	Nick Dawson
Planning.....	Randall Wilson
Probation.....	Erin Metcalf
Public Health/Veteran's Services.....	Andrew Woodruff
Public Works.....	Robert Perreault
Social Services and Public Guardian.....	Elliott Smart

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining Nonmajor Fund Statements**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, 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 Plumas, California (County), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1S to the financial statements, in 2017-18, the County adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, County Pension Plan - Schedule of Changes in Net Pension Liability and Related Ratios, County Pension Plan - Schedule of Proportionate Share of the Net Pension Liability, County Pension Plan - Schedule of Contributions, Notes to County Pension Plan, County OPEB Plan - Schedule of Changes in Net OPEB Liability and Related Ratios, County OPEB Plan - Schedule of Contributions, Notes to County OPEB Plan and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

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.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 23, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.



Smith & Newell CPAs
Yuba City, California
March 23, 2019

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**Management's Discussion and Analysis
(Unaudited)**

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Management's Discussion and Analysis

As management of the County of Plumas, California, (County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2017-2018 fiscal year by \$42,279,554 (net position). Of this amount, (\$34,739,885) (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, \$33,903,087 is restricted for specific purpose (*restricted net position*), and \$43,116,352 is the net investment in capital assets.
- The County governmental funds reported combined fund balances of \$46,178,110; an increase of \$994,641 in comparison with the prior year; whereas the decrease from 2015-16 to 2016-17 was \$3,669,543.
- The County's unassigned fund balance for the General fund was \$8,939,768 or 41.3 percent of total General fund expenditures, an increase of 0.8 percent from the prior years' unassigned to expenditure ratio.
- The County's net investment in capital assets increased by \$1,497,723.
- The County's total long-term debt increased by \$9,238,892 in comparison with the prior year due primarily to increases in the net pension liability of \$5,479,700 and net OPEB liability of \$4,226,549.

PRESENTATION CHANGES FROM PREVIOUS FINANCIAL STATEMENTS TO NOTE

There were no major changes in the presentation of the County's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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 all County assets and liabilities, with the difference between the two reported as *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 welfare, public assistance, education and recreation. The business-type activities of the County include airport, transit, and solid waste operations.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. The component units are blended special revenue funds and include County Fair, Air Pollution, Crescent Mills Lighting, Quincy Lighting, Beckwourth CSA Sewer, Flood Control, CSA #11 Ambulance, Walker Ranch CSD, Grizzly Ranch CSD, CSA #12 Plumas County Transit, and County of Plumas Public Facilities Corporation.

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 (special revenue, capital project and debt service)*, *proprietary funds (enterprise and internal service)*, and *fiduciary funds (school, trial courts, special districts, County departmental agencies and accrued trust 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 governmental funds organized according to their type—special revenue, capital projects and debt service. The County segregates from the General fund a number of significant functions in 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, Local Revenue 2011, Social Services, Mental Health, and Public Health, all of which are considered to be major funds.

Data from the other governmental funds is provided in the form of combining statements located in the Combining Nonmajor Fund Statements section of this report.

Proprietary funds are maintained in 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 airport, solid waste disposal, and transit. *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 self-insurance such as worker's compensation, unemployment, and liability insurance and OPEB. 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 Airport Operation and Solid Waste Planning and Operation funds are considered to be major funds of the County. The County's three 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 General fund and major special revenue funds budgetary schedules. The County adopts an annual appropriated budget for its General fund and major special revenue funds. A budgetary comparison schedule has been provided for the General fund and major special revenue funds to demonstrate compliance with this budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$42,279,554 at the close of the most recent fiscal year.

Statement of Net Position

June 30, 2018

	Governmental	Business-Type	Total
	Activities	Activities	
Current and Other Assets	\$ 58,562,422	\$ 3,699,213	\$ 62,261,635
Capital Assets	49,358,100	7,078,252	56,436,352
Total Assets	<u>107,920,522</u>	<u>10,777,465</u>	<u>118,697,987</u>
Deferred Outflows	11,964,928	117,559	12,082,487
Current and Other Liabilities	8,243,157	405,334	8,648,491
Long-Term Liabilities	74,959,635	3,806,564	78,766,199
Total Liabilities	<u>83,202,792</u>	<u>4,211,898</u>	<u>87,414,690</u>
Deferred Inflows	1,072,328	13,902	1,086,230
Net Investment in Capital Assets	36,038,100	7,078,252	43,116,352
Restricted	33,903,087	-	33,903,087
Unrestricted	(34,330,857)	(409,028)	(34,739,885)
Total Net Position	<u>\$ 35,610,330</u>	<u>\$ 6,669,224</u>	<u>\$ 42,279,554</u>

Of the County's net position, (\$34,739,885) represents unrestricted net position which may be used to meet the County's ongoing obligations to citizens and creditors. In addition, a portion of the County's restricted net position, \$33,903,087, can be used to meet the County's on-going obligations but are restricted in how they are used because they have been received for a specific purpose, such as State and Federal grants and debt service.

Another significant portion of the County's net position, \$43,116,352 reflects its net 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 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.

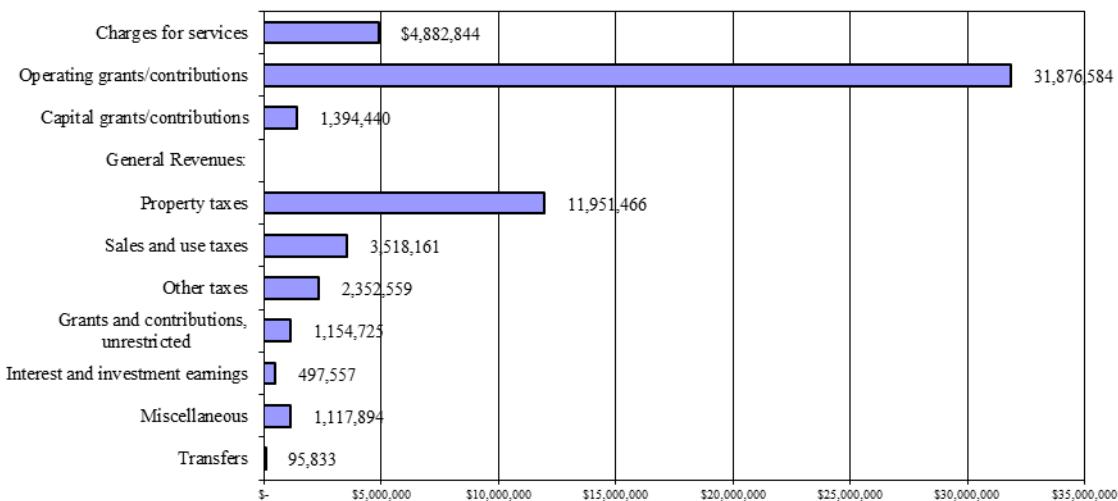
The County's net position decreased by \$4,923,836 during the current fiscal year. This decrease is due to ongoing expenses exceeding ongoing revenues. The increase in the net investment in capital assets represents capital purchases net of depreciation plus the retirement of related long-term debt.

The cumulative effect of a change in accounting principle decreased net position by \$4,299,968, due to GASB 75 reporting requirements for net OPEB liability.

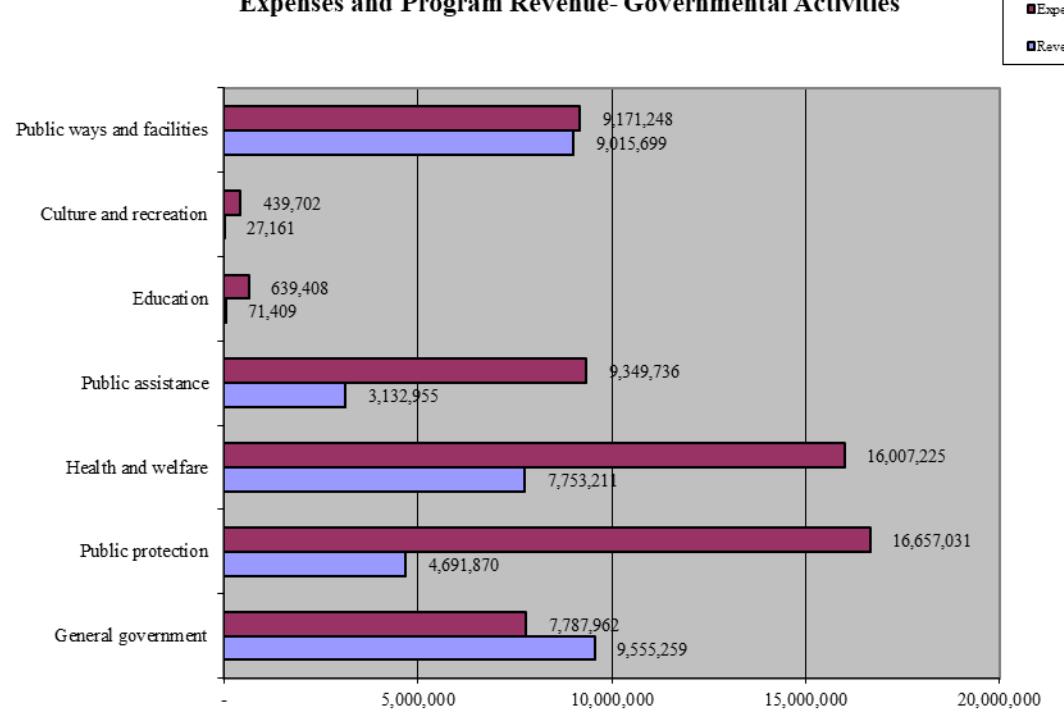
The following table indicates the changes in net position for governmental and business-type activities:

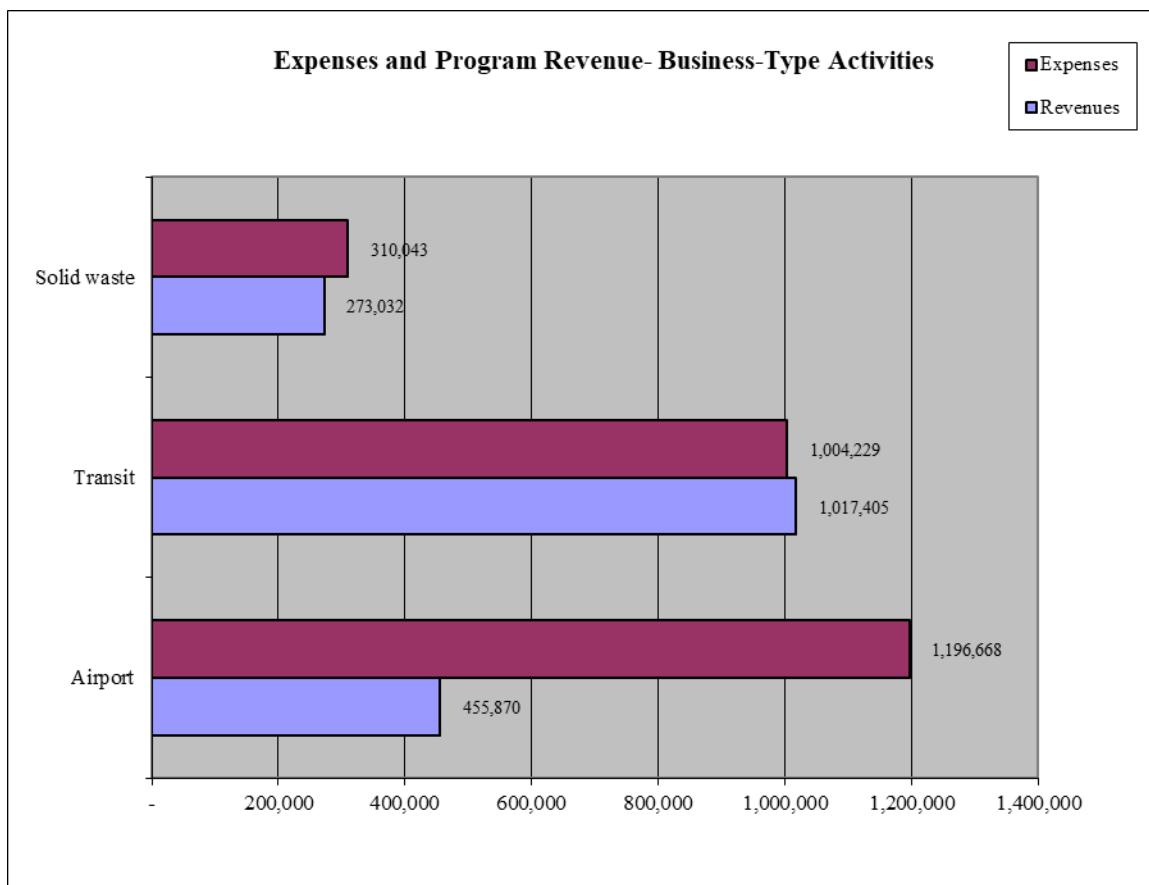
	Statement of Activities		
	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	\$ 4,882,844	\$ 683,213	\$ 5,566,057
Operating grants/contributions	31,876,584	1,052,220	32,928,804
Capital grants/contributions	1,394,440	1,901,910	3,296,350
General Revenues:			
Property taxes	11,951,466	-	11,951,466
Sales and use taxes	3,518,161	-	3,518,161
Other taxes	2,352,559	4,091	2,356,650
Grants and contributions, unrestricted	1,154,725	-	1,154,725
Interest and investment earnings	497,557	37,110	534,667
Miscellaneous	1,117,894	21,902	1,139,796
Transfers	95,833	(95,833)	-
Total Revenues	58,842,063	3,604,613	62,446,676
Expenses:			
General government	7,787,962	-	7,787,962
Public protection	16,657,031	-	16,657,031
Health and welfare	16,007,225	-	16,007,225
Public assistance	9,349,736	-	9,349,736
Education	639,408	-	639,408
Culture and recreation	439,702	-	439,702
Public ways and facilities	9,171,248	-	9,171,248
Interest and fiscal charges	507,292	-	507,292
Airport	-	1,196,668	1,196,668
Transit	-	1,004,229	1,004,229
Solid waste	-	310,043	310,043
Total Expenses	60,559,604	2,510,940	63,070,544
Change in Net Position	(1,717,541)	1,093,673	(623,868)
Net Position - Beginning	41,562,368	5,641,022	47,203,390
Cumulative effect of a change in accounting principle			
	(4,234,497)	(65,471)	(4,299,968)
Net Position - Beginning, Restated	37,327,871	5,575,551	42,903,422
Net Position - Ending	\$ 35,610,330	\$ 6,669,224	\$ 42,279,554

Revenue by Source-Governmental Activities



Expenses and Program Revenue- Governmental Activities





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, Capital Project and Debt Service 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, the unassigned fund balance in the General fund and restricted fund balance in the other governmental funds may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Net Change in Fund Balance				
Governmental Funds				
	FY 2017	FY 2018	Amount	Percent
Fund Balance Beginning	\$ 48,853,012	\$ 45,183,469	\$ (3,669,543)	-7.51%
Revenues	55,237,641	58,630,462	3,392,821	6.14%
Expenditures	(58,866,901)	(57,731,654)	1,135,247	-1.93%
Other Financing Sources(Uses)	29,290	95,833	66,543	227.19%
Prior period adjustment	(69,573)	-	69,573	N/A
Fund Balance -Ending	\$ 45,183,469	\$ 46,178,110	\$ 994,641	2.20%

At June, 30, 2018, the County's governmental funds reported combined fund balances of \$46,178,110, an increase of \$994,641 in comparison with the prior year. Of these combined fund balances, \$8,482,321 constitutes net unassigned; \$32,914,309 restricted, and \$1,207,857 assigned for special purposes, in the General and Special Revenue funds, which is available to meet the County's current and future needs. The remainder of fund balance is not available for new spending because it has been Committed for future use \$2,585,215 or is in Nonspendable form \$988,408.

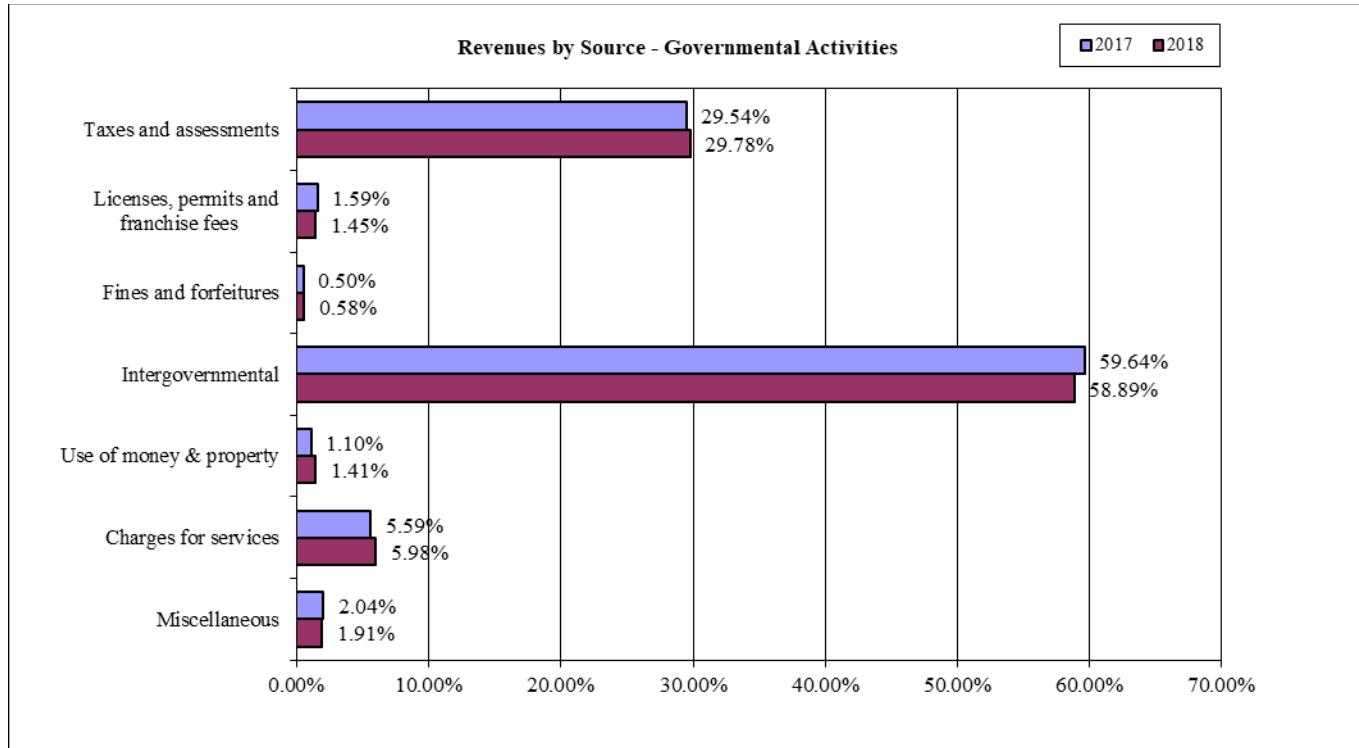
The General fund is the chief operating fund of the County. At June 30, 2018, unassigned fund balance was \$8,939,768 while total fund balance was \$14,862,896. As a measure of the General fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 41.3 percent of total General fund expenditures, while the total fund balance represents 68.6 percent of total General fund expenditures.

The major funds and other governmental funds' fund balances decreased from \$33,511,895 to \$31,315,214. The major and other governmental funds had decreases/increases in fund balance as follows: Public Ways-Road decreased \$46,119, Local Revenue 2011 decreased \$311,108, Social Services increased \$1,585,541, Mental Health decreased \$2,925,450, Public Health increased \$107,589 and other non-major governmental funds decreased \$607,134.

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

	Revenues Classified by Source					
	Governmental Funds					
	FY 2017		FY 2018		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Revenue by Source:						
Taxes and assessments	\$ 16,318,565	29.54%	\$ 17,462,950	29.78%	\$ 1,144,385	7.01%
Licenses, permits and franchise fees	876,669	1.59%	849,863	1.45%	(26,806)	-3.06%
Fines and forfeitures	273,589	0.50%	340,168	0.58%	66,579	24.34%
Intergovernmental	32,946,314	59.64%	34,527,556	58.89%	1,581,242	4.80%
Use of money & property	607,155	1.10%	824,729	1.41%	217,574	35.84%
Charges for services	3,090,328	5.59%	3,507,302	5.98%	416,974	13.49%
Miscellaneous	1,125,021	2.04%	1,117,894	1.91%	(7,127)	-0.63%
Total	\$ 55,237,641	100.00%	\$ 58,630,462	100.00%	\$ 3,392,821	6.14%

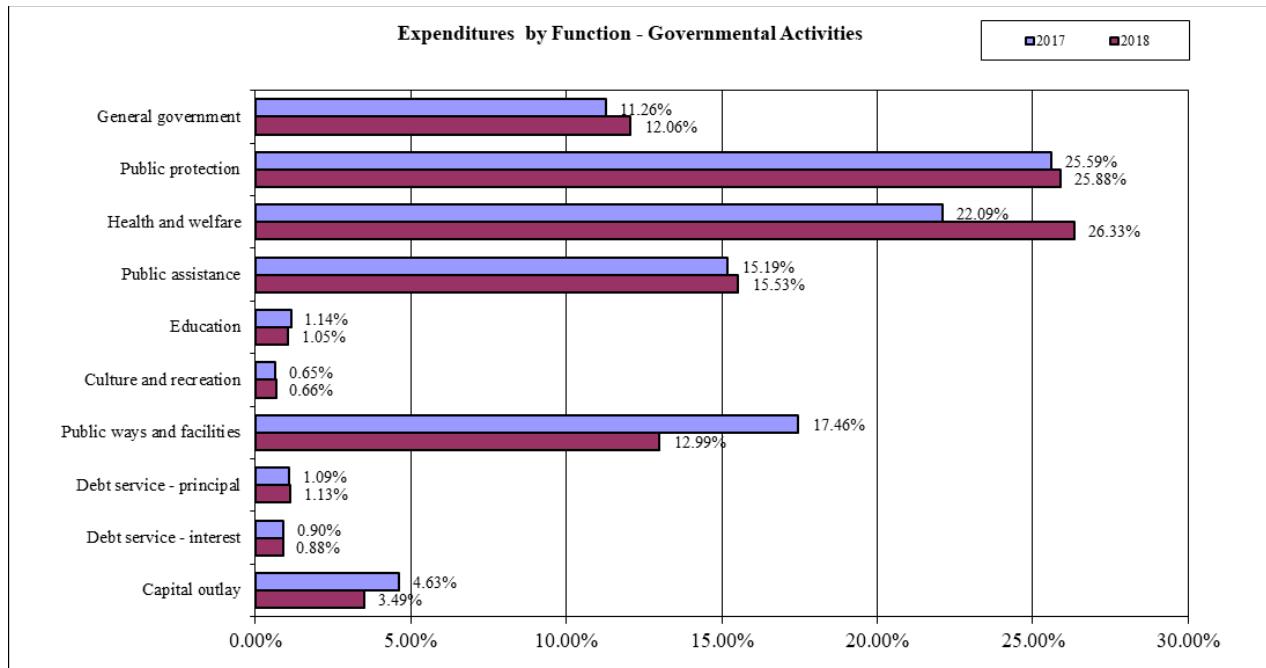
The following graph shows an illustrative picture of where the County funds come from.



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

Expenditure by Function:	Expenditures Classified by Function					
	Governmental Funds			Increase (Decrease)		
	FY 2017	Percent of Total	FY 2018	Percent of Total	Amount	Percent of Change
Amount		Amount		Amount		
General government	\$ 6,630,856	11.26%	\$ 6,964,855	12.06%	\$ 333,999	5.04%
Public protection	15,061,372	25.59%	14,942,372	25.88%	(119,000)	-0.79%
Health and welfare	13,006,399	22.09%	15,199,636	26.33%	2,193,237	16.86%
Public assistance	8,942,875	15.19%	8,962,911	15.53%	20,036	0.22%
Education	669,653	1.14%	606,429	1.05%	(63,224)	-9.44%
Culture and recreation	381,565	0.65%	380,267	0.66%	(1,298)	-0.34%
Public ways and facilities	10,278,424	17.46%	7,498,502	12.99%	(2,779,922)	-27.05%
Debt service - principal	640,000	1.09%	655,000	1.13%	15,000	2.34%
Debt service - interest	530,525	0.90%	507,292	0.88%	(23,233)	-4.38%
Capital outlay	2,725,232	4.63%	2,014,390	3.49%	(710,842)	-26.08%
Total	\$ 58,866,901	100.00%	\$ 57,731,654	100.00%	\$ (1,135,247)	-1.93%

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



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

	Other Financing Sources (Uses)		Increase (Decrease)	
	Governmental Funds		Amount	Percent
	FY 2017	FY 2018		
Transfer-In	\$ 23,519,888	\$ 22,855,950	\$ (663,938)	-2.82%
Transfer-Out	(23,490,598)	(22,760,117)	730,481	-3.11%
Net other financing sources(uses)	<u>\$ 29,290</u>	<u>\$ 95,833</u>	<u>\$ 66,543</u>	<u>227.19%</u>

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 airport, solid waste operations, Senior Transportation, and Plumas Transit (assets).

	Net Change in Fund Net Position			
	Enterprise Funds			
	FY 2017	FY 2018	Amount	Percent
Total Net Position - Beginning	\$ 6,300,160	\$ 5,641,022	\$ (659,138)	-10.46%
Cumulative effect of change in accounting principle	-	(65,471)	\$ (65,471)	-100.00%
Total Net Position - Beginning, Restated	6,300,160	5,575,551	(724,609)	-11.50%
Operating revenues	652,665	705,115	52,450	8.04%
Operating expenses	(2,421,597)	(2,510,940)	(89,343)	3.69%
Non-operating revenues (expenses)	1,022,546	2,995,331	1,972,785	192.93%
Capital contribution	116,538	-	(116,538)	-100.00%
Transfers in (out)	(29,290)	(95,833)	(66,543)	227.19%
Total Net Position - Ending	<u>\$ 5,641,022</u>	<u>\$ 6,669,224</u>	<u>\$ 1,028,202</u>	<u>18.23%</u>

Internal service funds are an accounting device to accumulate and allocate costs internally among the County's various functions. Internal service funds are used to account for risk management, unemployment insurance, workers compensation, health insurance funds, liability and OPEB.

Net Change in Fund Net Position				
Internal Service Funds				
	FY 2017	FY 2018	Increase (Decrease)	
			Amount	Percent
Total Net Position - Beginning	\$ 1,907,493	\$ 1,021,726	\$ (885,767)	-46.44%
Operating revenues	2,326,244	2,769,597	443,353	19.06%
Operating expenses	(3,215,313)	(2,272,171)	943,142	-29.33%
Non-operating revenues (expenses)	3,302	5,833	2,531	-76.65%
Total Net Position - Ending	<u>\$ 1,021,726</u>	<u>\$ 1,524,985</u>	<u>\$ 503,259</u>	<u>49.26%</u>

Unrestricted net position of the internal service funds at June 30, 2018 was \$1,524,985 an increase of \$503,259. This was largely attributable to the County's self-funded insurance funds. The County's claims paid decreased significantly over last year. Both liability and workers' comp are funded at the 80 percent or higher confidence level as recommended.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Board of Supervisors revises 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 original budget and the final amended budget is summarized in the table below:

Budgetary Comparison				
General Fund				
	Original Budget	Final Budget	Net Change	
			Amount	Percent
Total Revenues	\$ 22,921,892	\$ 22,915,547	\$ (6,345)	-0.03%
Total Expenditures	(25,853,823)	(26,365,955)	(512,132)	1.98%
Other Financing Sources(Uses)	557,973	586,801	28,828	5.17%
Net other financing sources(uses)	<u>\$ (2,373,958)</u>	<u>\$ (2,863,607)</u>	<u>\$ (489,649)</u>	

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

Budgetary Comparison				
General Fund				
	Final Budget	Actual Amounts	Net Change	
			Amount	Percent
Total Revenues	\$ 22,915,547	\$ 25,644,989	\$ 2,729,442	11.91%
Total Expenditures	(26,365,955)	(23,065,995)	3,299,960	-12.52%
Other Financing Sources(Uses)	586,801	612,328	25,527	4.35%
Net other financing sources(uses)	<u>\$ (2,863,607)</u>	<u>\$ 3,191,322</u>	<u>\$ 6,054,929</u>	

CAPITAL ASSETS

The County's net investment in capital assets as of June 30, 2018, amounted to \$56,436,352. This investment in a broad range of capital assets includes land, infrastructure (roads and bridges), structures and improvements, and equipment.

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Land	\$ 2,079,903	\$ 2,112,930	\$ 620,152	\$ 620,152	\$ 2,700,055	\$ 2,733,082
Construction in Progress	7,995,137	8,542,221	-	-	7,995,137	8,542,221
Buildings & Improvements	34,974,724	35,629,987	1,290,807	1,290,807	36,265,531	36,920,794
Equipment	24,519,769	24,923,806	2,050,158	2,267,120	26,569,927	27,190,926
Software	1,349,789	1,352,619	15,660	15,660	1,365,449	1,368,279
Infrastructure	39,993,999	39,994,036	11,035,896	13,171,945	51,029,895	53,165,981
Total	110,913,321	112,555,599	15,012,673	17,365,684	125,925,994	129,921,283
Accumulated Depreciation	(60,920,638)	(63,197,499)	(9,411,727)	(10,287,432)	(70,332,365)	(73,484,931)
Net Capital Assets	<u>\$ 49,992,683</u>	<u>\$ 49,358,100</u>	<u>\$ 5,600,946</u>	<u>\$ 7,078,252</u>	<u>\$ 55,593,629</u>	<u>\$ 56,436,352</u>

DEBT ADMINISTRATION

At June 30, 2018, the County had total long-term debt outstanding of \$78,766,199 as compared to \$69,527,307 in the prior year. The loan balance decreased \$655,000, there was an increase of \$58,828 in closure/postclosure, there was an increase in compensated absences of \$128,815, increase in net pension liabilities of \$5,479,700, and increase in net OPEB liability of \$4,226,549.

	Long Term Debt					
	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Loans	\$ 13,975,000	\$ 13,320,000	\$ -	\$ -	\$ 13,975,000	\$ 13,320,000
Closure/Postclosure	-	-	3,271,708	3,330,536	3,271,708	3,330,536
Compensated Absences	4,940,248	5,071,565	7,357	4,855	4,947,605	5,076,420
Net Pension Liability	44,015,642	49,461,157	351,144	385,329	44,366,786	49,846,486
Net OPEB Obligation	2,921,044	7,106,913	45,164	85,844	2,966,208	7,192,757
Total	65,851,934	74,959,635	3,675,373	3,806,564	69,527,307	78,766,199
Less Current Portion	(3,755,445)	(3,988,554)	(7,357)	(4,855)	(3,762,802)	(3,993,409)
Net Long-Term Debt	<u>\$ 62,096,489</u>	<u>\$ 70,971,081</u>	<u>\$ 3,668,016</u>	<u>\$ 3,801,709</u>	<u>\$ 65,764,505</u>	<u>\$ 74,772,790</u>

Budget Officer's Economic Factors and Next Year's Budget

The reduction in net position of \$4,923,836 for 2017/18 is due to increases in net pension and net OPEB liabilities totaling \$9,706,249 and offset by an overall increase in total assets and a decrease in net liabilities, the combined total of \$4,782,413. Or, alternatively stated, without the increases in the net pension and net OPEB liabilities, the County would have seen an overall increase in net position of more than \$4,000,000. The unfunded pension and OPEB liabilities pose a significant financial challenge to the County, and one that will require continued commitment from the Board of Supervisors and County officials to reduce this liability. In 2017/18, the Board of Supervisors approved the conversion of the existing Section 115 OPEB Trust into a Postemployment Benefits Trust that can be used for both the OPEB and the CalPERS contributions. The first contribution for CalPERS was \$250,000 in 2018/19. As of 6/30/18, the trust balance for the OPEB contributions was \$1,666,000. The County began contributing to the OPEB Trust in 2013/14.

County total reserves remain healthy, and the County's General fund reserve maintained the \$2,000,000 balance in the 2018/19 budget. Of concern is the rising costs that have historically outpaced increases in revenues, and the increasing unfunded postemployment liabilities. We as a County must continue to maintain conservative administrative practices in financial management to guard against the further erosion of our financial base.

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 County Auditor/Controller, 520 Main St. RM 205, Quincy, California 95971.

Basic Financial Statements

- **Government-Wide Financial Statements**

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COUNTY OF PLUMAS
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 45,094,497	\$ 294,924	\$ 45,389,421
Cash with fiscal agent	6,119,112	-	6,119,112
Receivables:			
Accounts	142,641	83,640	226,281
Taxes	398,160	-	398,160
Intergovernmental	6,395,512	-	6,395,512
Internal balances	20,783	(20,783)	-
Prepaid costs	74,843	-	74,843
Inventory	316,874	69,724	386,598
Restricted cash and investments	-	3,271,708	3,271,708
Capital assets:			
Non depreciable	10,655,151	620,152	11,275,303
Depreciable, net	38,702,949	6,458,100	45,161,049
Total capital assets	<u>49,358,100</u>	<u>7,078,252</u>	<u>56,436,352</u>
Total Assets	<u>107,920,522</u>	<u>10,777,465</u>	<u>118,697,987</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	11,964,718	117,556	12,082,274
Deferred OPEB adjustments	210	3	213
Total Deferred Outflows of Resources	<u>11,964,928</u>	<u>117,559</u>	<u>12,082,487</u>
LIABILITIES			
Accounts payable	1,523,974	293,724	1,817,698
Retention payable	-	88,335	88,335
Salaries and benefits payable	1,559,474	17,754	1,577,228
Unearned revenue	43,877	5,521	49,398
Accrued claims liability	5,115,832	-	5,115,832
Long-term liabilities:			
Due within one year	3,988,554	4,855	3,993,409
Due in more than one year	14,403,011	3,330,536	17,733,547
Net pension liability	49,461,157	385,329	49,846,486
Net OPEB liability	<u>7,106,913</u>	<u>85,844</u>	<u>7,192,757</u>
Total Liabilities	<u>83,202,792</u>	<u>4,211,898</u>	<u>87,414,690</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	1,026,786	13,197	1,039,983
Deferred OPEB adjustments	45,542	705	46,247
Total Deferred Inflows of Resources	<u>1,072,328</u>	<u>13,902</u>	<u>1,086,230</u>

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

COUNTY OF PLUMAS
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	36,038,100	7,078,252	43,116,352
Restricted for:			
General government	5,087,006	-	5,087,006
Public protection	2,457,709	-	2,457,709
Health and welfare	9,636,122	-	9,636,122
Public assistance	3,884,052	-	3,884,052
Public ways and facilities	10,709,976	-	10,709,976
Capital projects	254,389	-	254,389
Debt service	1,873,833	-	1,873,833
Unrestricted	<u>(34,330,857)</u>	<u>(409,028)</u>	<u>(34,739,885)</u>
Total Net Position	<u>\$ 35,610,330</u>	<u>\$ 6,669,224</u>	<u>\$ 42,279,554</u>

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

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COUNTY OF PLUMAS
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs:	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
		Capital Grants and Contributions	
Governmental activities:			
General government	\$ 7,787,962	\$ 1,177,741	\$ 10,805,376
Public protection	16,657,031	1,515,477	3,318,382
Health and welfare	16,007,225	1,119,475	9,343,708
Public assistance	9,349,736	20,036	4,067,101
Education	639,408	7,345	72,569
Culture and recreation	439,702	35,476	-
Public ways and facilities	9,171,248	1,007,294	4,269,448
Interest on long-term debt	507,292	-	1,394,440
Total Governmental Activities	60,559,604	4,882,844	31,876,584
Business-type activities:			
Airport	1,196,668	381,381	-
Transit	1,004,229	57,554	1,052,220
Solid waste	310,043	244,278	-
Total Business-Type Activities	2,510,940	683,213	1,052,220
Total	\$ 63,070,544	\$ 5,566,057	\$ 32,928,804
			\$ 3,296,350

General revenues:

Taxes:
 Property taxes
 Sales and use taxes
 Public service taxes
 Transient occupancy taxes
 Aircraft taxes
 Timber yield tax
 Franchise fees
 Tobacco settlement
 Grants and contributions, unrestricted
 Interest and investment earnings
 Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Cumulative effect of a change in accounting principle

Net Position - Beginning, Restated

Net Position - Ending

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

**Net (Expense) Revenue and
Changes in Net Position**

		Business-	
Governmental	Type	Total	
Activities	Activities		
\$ 4,195,155	\$ -	\$ 4,195,155	
(11,823,172)	-	(11,823,172)	
(5,544,042)	-	(5,544,042)	
(5,262,599)	-	(5,262,599)	
(559,494)	-	(559,494)	
(404,226)	-	(404,226)	
(2,500,066)	-	(2,500,066)	
(507,292)	-	(507,292)	
<u>(22,405,736)</u>	<u>-</u>	<u>(22,405,736)</u>	
 - 1,086,623	 1,086,623	 1,086,623	
 - 105,545	 105,545	 105,545	
<u>- (65,765)</u>	<u>1,126,403</u>	<u>1,126,403</u>	
<u>(22,405,736)</u>	<u>1,126,403</u>	<u>(21,279,333)</u>	
 11,951,466	 - 11,951,466	 11,951,466	
3,518,161	- 3,518,161	3,518,161	
263,521	- 263,521	263,521	
1,517,871	- 1,517,871	1,517,871	
18,927	- 18,927	18,927	
193,004	4,091	197,095	
147,494	- 147,494	147,494	
211,742	- 211,742	211,742	
1,154,725	- 1,154,725	1,154,725	
497,557	37,110	534,667	
1,117,894	21,902	1,139,796	
95,833	(95,833)	-	
<u>20,688,195</u>	<u>(32,730)</u>	<u>20,655,465</u>	
<u>(1,717,541)</u>	<u>1,093,673</u>	<u>(623,868)</u>	
41,562,368	5,641,022	47,203,390	
(4,234,497)	(65,471)	(4,299,968)	
37,327,871	5,575,551	42,903,422	
<u>\$ 35,610,330</u>	<u>\$ 6,669,224</u>	<u>\$ 42,279,554</u>	

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Basic Financial Statements

- Fund Financial Statements**

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COUNTY OF PLUMAS
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Road	Local Revenue 2011	Social Services	Mental Health
ASSETS					
Cash and investments	\$ 14,180,203	\$ 2,188,139	\$ -	\$ 9,262,856	\$ 7,908,174
Receivables:					
Accounts	45,397	8,682	-	-	364
Taxes	398,160	-	-	-	-
Intergovernmental	778,652	1,259,593	1,147,172	260,841	652,241
Prepaid costs	48,701	-	-	6,624	91
Inventory	-	316,874	-	-	-
Due from other funds	2,715	-	-	800,951	-
Advances to other funds	599,868	-	-	-	-
Total Assets	<u>\$ 16,053,696</u>	<u>\$ 3,773,288</u>	<u>\$ 1,147,172</u>	<u>\$ 10,331,272</u>	<u>\$ 8,560,870</u>
LIABILITIES					
Accounts payable	\$ 334,745	\$ 280,843	\$ -	\$ 30,236	\$ 589,873
Salaries and benefits payable	734,729	185,962	-	195,302	213,704
Unearned revenue	1,190	-	-	-	-
Due to other funds	-	-	800,951	-	-
Advances from other funds	-	-	-	-	-
Total Liabilities	<u>1,070,664</u>	<u>466,805</u>	<u>800,951</u>	<u>225,538</u>	<u>803,577</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	120,136	817,969	-	85,712	128,155
Total Deferred Inflows of Resources	<u>120,136</u>	<u>817,969</u>	<u>-</u>	<u>85,712</u>	<u>128,155</u>
FUND BALANCES					
Nonspendable	648,569	316,874	-	6,624	91
Restricted	2,014,085	2,171,640	346,221	10,013,398	7,629,047
Committed	2,052,617	-	-	-	-
Assigned	1,207,857	-	-	-	-
Unasssigned	8,939,768	-	-	-	-
Total Fund Balances	<u>14,862,896</u>	<u>2,488,514</u>	<u>346,221</u>	<u>10,020,022</u>	<u>7,629,138</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,053,696</u>	<u>\$ 3,773,288</u>	<u>\$ 1,147,172</u>	<u>\$ 10,331,272</u>	<u>\$ 8,560,870</u>

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

Public Health	Other Governmental Funds	Total
\$ 1,170,102	\$ 9,866,495	\$44,575,969
13,719	74,479	142,641
-	-	398,160
1,879,661	417,352	6,395,512
5,008	11,242	71,666
-	-	316,874
-	-	803,666
-	-	599,868
<u>\$ 3,068,490</u>	<u>\$ 10,369,568</u>	<u>\$53,304,356</u>
\$ 123,523	\$ 164,754	\$ 1,523,974
116,547	113,230	1,559,474
-	42,687	43,877
-	1,932	802,883
-	579,868	579,868
<u>240,070</u>	<u>902,471</u>	<u>4,510,076</u>
<u>1,412,755</u>	<u>51,443</u>	<u>2,616,170</u>
<u>1,412,755</u>	<u>51,443</u>	<u>2,616,170</u>
5,008	11,242	988,408
1,410,657	9,329,261	32,914,309
-	532,598	2,585,215
-	-	1,207,857
-	(457,447)	8,482,321
<u>1,415,665</u>	<u>9,415,654</u>	<u>46,178,110</u>
<u>\$ 3,068,490</u>	<u>\$ 10,369,568</u>	<u>\$53,304,356</u>

COUNTY OF PLUMAS
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2018

Total Fund Balance - Total Governmental Funds	\$ 46,178,110
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds balance sheet.	49,358,100
Other long term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	2,616,170
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	11,964,928
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds	(1,072,328)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Loans payable	(13,320,000)
Compensated absences	(5,071,565)
Net pension liability	(49,461,157)
Net OPEB liability	(7,106,913)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	<u>1,524,985</u>
Net Position of Governmental Activities	<u>\$ 35,610,330</u>

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

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COUNTY OF PLUMAS
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General Fund	Road	Local Revenue 2011	Social Services	Mental Health
REVENUES					
Taxes and assessments	\$ 17,175,372	\$ 1,525	\$ -	\$ -	\$ -
Licenses, permits, and franchises	779,794	65,898	- -	- -	- -
Fines and forfeitures	258,673	- -	- -	- -	- -
Intergovernmental	3,550,339	5,992,229	8,083,299	4,503,553	4,530,958
Use of money and property	187,783	35,684	- -	85,164	97,837
Charges for services	1,586,198	685,749	- -	- -	104,831
Other revenues	694,729	1,168	- -	83,610	8,434
Total Revenues	24,232,888	6,782,253	8,083,299	4,672,327	4,742,060
EXPENDITURES					
Current:					
General government	6,078,426	- -	- -	- -	- -
Public protection	11,813,485	- -	- -	- -	- -
Health and welfare	727,715	- -	- -	- -	9,333,151
Public assistance	684,280	- -	- -	8,278,631	- -
Education	606,429	- -	- -	- -	- -
Culture and recreation	380,267	- -	- -	- -	- -
Public ways and facilities	436,674	6,443,467	- -	- -	- -
Debt service:					
Principal	- -	- -	- -	- -	- -
Interest and other charges	- -	- -	- -	- -	- -
Capital outlay	926,618	489,716	- -	69,118	55,545
Total Expenditures	21,653,894	6,933,183	- -	8,347,749	9,388,696
Excess of Revenues Over (Under) Expenditures	2,578,994	(150,930)	8,083,299	(3,675,422)	(4,646,636)
OTHER FINANCING SOURCES (USES)					
Transfers in	8,933,651	131,862	- -	6,836,829	2,700,462
Transfers out	(8,321,323)	(27,051)	(8,394,407)	(1,575,866)	(979,276)
Total Other Financing Sources (Uses)	612,328	104,811	(8,394,407)	5,260,963	1,721,186
Net Change in Fund Balances	3,191,322	(46,119)	(311,108)	1,585,541	(2,925,450)
Fund Balances - Beginning	11,671,574	2,534,633	657,329	8,434,481	10,554,588
Fund Balances - Ending	\$ 14,862,896	\$ 2,488,514	\$ 346,221	\$ 10,020,022	\$ 7,629,138

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

Public Health	Other Governmental Funds	Total
\$ -	\$ 286,053	\$ 17,462,950
-	4,171	849,863
-	81,495	340,168
4,155,825	3,711,353	34,527,556
5,654	412,607	824,729
689,171	441,353	3,507,302
1,452	328,501	1,117,894
<u>4,852,102</u>	<u>5,265,533</u>	<u>58,630,462</u>

-	886,429	6,964,855
-	3,128,887	14,942,372
4,603,320	535,450	15,199,636
-	-	8,962,911
-	-	606,429
-	-	380,267
-	618,361	7,498,502
-	655,000	655,000
-	507,292	507,292
<u>126,080</u>	<u>347,313</u>	<u>2,014,390</u>
<u>4,729,400</u>	<u>6,678,732</u>	<u>57,731,654</u>
<u>122,702</u>	<u>(1,413,199)</u>	<u>898,808</u>

289,596	3,963,550	22,855,950
(304,709)	(3,157,485)	(22,760,117)
<u>(15,113)</u>	<u>806,065</u>	<u>95,833</u>
107,589	(607,134)	994,641
<u>1,308,076</u>	<u>10,022,788</u>	<u>45,183,469</u>
<u>\$ 1,415,665</u>	<u>\$ 9,415,654</u>	<u>\$ 46,178,110</u>

COUNTY OF PLUMAS
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 994,641

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

Governmental funds report capital outlays 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 capital outlay	2,014,390
Less current year depreciation	(2,648,973)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal retirements	655,000
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Some revenues reported in the statement of activities will not be collected for several months after the County's year end and do not provide current financial resources and therefore, are not reported as revenues in the governmental funds.

Change in unavailable revenue	109,935
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Certain changes in deferred outflows and deferred inflows of resources reported in the statement of activities relate to long-term liabilities and are not reported in the governmental funds.

Change in deferred outflows of resources related to pensions	1,093,409
Change in deferred inflows of resources related to pensions	1,134,334
Change in deferred outflows of resources related to OPEB	(52)
Change in deferred inflows of resources related to OPEB	7,591

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	(131,317)
Change in net pension liability	(5,445,515)
Change in net OPEB liability	(4,243)

Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

<u>503,259</u>	<u>503,259</u>
----------------	----------------

Change in Net Position of Governmental Activities \$ (1,717,541)

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

COUNTY OF PLUMAS
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Solid Waste Planning and Operation	Other Enterprise Funds	Total	Internal Service Funds
	 	 	 	 	
ASSETS					
Current Assets:					
Cash and investments	\$ 168,340	\$ -	\$ 126,584	\$ 294,924	\$ 518,528
Cash with fiscal agent	-	-	-	-	6,119,112
Receivables:					
Accounts	31,746	49,441	2,453	83,640	-
Prepaid costs	-	-	-	-	3,177
Inventory	69,724	-	-	69,724	-
Total Current Assets	269,810	49,441	129,037	448,288	6,640,817
Noncurrent Assets:					
Restricted cash and investments	-	3,271,708	-	3,271,708	-
Capital Assets :					
Non depreciable	497,438	122,714	-	620,152	-
Depreciable, net	5,786,041	360,986	311,073	6,458,100	-
Total Noncurrent Assets	6,283,479	3,755,408	311,073	10,349,960	-
Total Assets	6,553,289	3,804,849	440,110	10,798,248	6,640,817
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension adjustments	41,037	-	76,519	117,556	-
Deferred OPEB adjustments	1	-	2	3	-
Total Deferred Outflows of Resources	41,038	-	76,521	117,559	-
LIABILITIES					
Current Liabilities:					
Accounts payable	172,168	3,883	117,673	293,724	-
Retention payable	88,335	-	-	88,335	-
Salaries and benefits payable	5,891	-	11,863	17,754	-
Unearned revenues	5,521	-	-	5,521	-
Due to other funds	-	783	-	783	-
Compensated absences	2,248	-	2,607	4,855	-
Claims payable	-	-	-	-	5,115,832
Total Current Liabilities	274,163	4,666	132,143	410,972	5,115,832
Noncurrent Liabilities:					
Advances from other funds	20,000	-	-	20,000	-
Closure/postclosure	-	3,330,536	-	3,330,536	-
Net pension liability	129,807	-	255,522	385,329	-
Net OPEB liability	36,383	-	49,461	85,844	-
Total Noncurrent Liabilities	186,190	3,330,536	304,983	3,821,709	-
Total Liabilities	460,353	3,335,202	437,126	4,232,681	5,115,832

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

COUNTY OF PLUMAS
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Solid Waste	Other Enterprise Funds	Total	Internal Service Funds
		Planning and Operation			
DEFERRED INFLOWS OF RESOURCES					
Deferred pension adjustments	4,615	-	8,582	13,197	-
Deferred OPEB adjustments	212	-	493	705	-
Total Deferred Inflows of Resources	4,827	-	9,075	13,902	-
NET POSITION					
Investment in capital assets	6,283,479	483,700	311,073	7,078,252	-
Unrestricted	(154,332)	(14,053)	(240,643)	(409,028)	1,524,985
Total Net Position	\$ 6,129,147	\$ 469,647	\$ 70,430	\$ 6,669,224	\$ 1,524,985

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

COUNTY OF PLUMAS
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities
			Solid Waste	Other	Total
	Airport	Planning and Operation	Enterprise Funds	Internal Service Funds	
OPERATING REVENUES					
Charges for services	\$ 381,381	\$ 244,278	\$ 57,554	\$ 683,213	\$ 2,100,913
Other revenues	11,802	10,100	-	21,902	668,684
Total Operating Revenues	393,183	254,378	57,554	705,115	2,769,597
OPERATING EXPENSES					
Salaries and benefits	136,285	27	250,332	386,644	-
Services and supplies	287,475	270,127	690,989	1,248,591	518,334
Claims paid/liability adjustment	-	-	-	-	1,753,837
Depreciation	772,908	39,889	62,908	875,705	-
Total Operating Expenses	1,196,668	310,043	1,004,229	2,510,940	2,272,171
Operating Income (Loss)	(803,485)	(55,665)	(946,675)	(1,805,825)	497,426
NON-OPERATING REVENUES (EXPENSES)					
Taxes	4,091	-	-	4,091	-
Local transportation funds	-	-	218,993	218,993	-
Intergovernmental	1,901,910	-	833,227	2,735,137	-
Interest income	2,656	34,454	-	37,110	5,833
Total Non-Operating Revenues (Expenses)	1,908,657	34,454	1,052,220	2,995,331	5,833
Income (Loss) Before Transfers	1,105,172	(21,211)	105,545	1,189,506	503,259
Transfers in	-	-	28,946	28,946	-
Transfers out	-	(124,779)	-	(124,779)	-
Change in Net Position	1,105,172	(145,990)	134,491	1,093,673	503,259
Total Net Position (Deficit) - Beginning	5,043,624	615,637	(18,239)	5,641,022	1,021,726
Cumulative effect of a change in accounting principle	(19,649)	-	(45,822)	(65,471)	-
Total Net Position (Deficit) - Beginning, Restated	5,023,975	615,637	(64,061)	5,575,551	1,021,726
Total Net Position - Ending	\$ 6,129,147	\$ 469,647	\$ 70,430	\$ 6,669,224	\$ 1,524,985

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

COUNTY OF PLUMAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Solid Waste Planning and Operation	Other Enterprise Funds	Total	Internal Service Funds
					
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 394,682	\$ 266,324	\$ 57,988	\$ 718,994	\$ 2,769,597
Payments to suppliers	(128,928)	(214,924)	(746,025)	(1,089,877)	(3,015,646)
Payments to employees	(125,810)	(27)	(264,107)	(389,944)	-
Net Cash Provided (Used) by Operating Activities	139,944	51,373	(952,144)	(760,827)	(246,049)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Local transportation funds received	-	-	218,993	218,993	-
Tax revenue received	4,091	-	-	4,091	-
Intergovernmental revenue received	1,959,292	4,396	833,227	2,796,915	-
Interfund loans received	-	783	-	783	-
Transfers from other funds	-	-	28,946	28,946	-
Transfers to other funds	-	(124,779)	-	(124,779)	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,963,383	(119,600)	1,081,166	2,924,949	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(2,076,677)	-	(188,000)	(2,264,677)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,076,677)	-	(188,000)	(2,264,677)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	2,656	34,455	-	37,111	5,833
Net Cash Provided (Used) by Investing Activities	2,656	34,455	-	37,111	5,833
Net Increase (Decrease) in Cash and Cash Equivalents	29,306	(33,772)	(58,978)	(63,444)	(240,216)
Balances - Beginning	139,034	3,305,480	185,562	3,630,076	6,877,856
Balances - Ending	\$ 168,340	\$ 3,271,708	\$ 126,584	\$ 3,566,632	\$ 6,637,640

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

COUNTY OF PLUMAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Solid Waste Planning and Operation	Other Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (803,485)	\$ (55,665)	\$ (946,675)	\$ (1,805,825)	\$ 497,426
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	772,908	39,889	62,908	875,705	-
Decrease (increase) in:					
Accounts receivable	(4,022)	11,946	434	8,358	-
Prepaid costs	-	-	-	-	160
Inventory	(1,129)	-	-	(1,129)	-
Pension adjustments - deferred outflows	(2,014)	-	(3,851)	(5,865)	-
OPEB adjustments - deferred outflows	-	-	1	1	-
Increase (decrease) in:					
Accounts payable	159,676	(3,625)	(55,036)	101,015	-
Salaries and benefits payable	275	-	(805)	(530)	-
Unearned revenue	5,521	-	-	5,521	-
Compensated absences payable	(1,392)	-	(1,110)	(2,502)	-
Claims payable	-	-	-	-	(743,635)
Closure/post closure liability	-	58,828	-	58,828	-
Net pension liability	11,441	-	22,744	34,185	-
Net OPEB liability	3,425	-	(27,398)	(23,973)	-
Pension adjustments - deferred inflows	(1,225)	-	(3,274)	(4,499)	-
OPEB adjustments - deferred inflows	(35)	-	(82)	(117)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 139,944</u>	<u>\$ 51,373</u>	<u>\$ (952,144)</u>	<u>\$ (760,827)</u>	<u>\$ (246,049)</u>

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

COUNTY OF PLUMAS
Statement of Net Position
Fiduciary Funds
June 30, 2018

	Investment Trust Funds	Agency Funds
ASSETS		
Cash and investments	\$47,870,997	\$ 1,713,665
Receivables:		
Taxes	-	1,822,781
Total Assets	47,870,997	3,536,446
LIABILITIES		
Agency funds held for others	-	3,536,446
Total Liabilities	-	3,536,446
NET POSITION		
Held in trust for pool participants	47,870,997	-
Total Net Position	\$47,870,997	\$ -

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

COUNTY OF PLUMAS
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Investment Trust Funds
ADDITIONS	
Contributions to investment pool	<u>\$ 9,995,880</u>
Total Additions	<u>9,995,880</u>
DEDUCTIONS	
Distributions from investment pool	<u>8,017,691</u>
Total Deductions	<u>8,017,691</u>
Total Change in Net Position	<u>1,978,189</u>
Net Position - Beginning	<u>45,892,808</u>
Net Position - Ending	<u>\$47,870,997</u>

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

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a county-wide basis including law and justice, education, detention, social services and health, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the County's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the Board of Supervisors. The financial statements of the individual component units may be obtained by writing to the County of Plumas, Auditor-Controller's Office, 520 W. Main Street, Quincy, CA 95971.

Blended Component Units

County Fair - The County Fair was established by the County Board of Supervisors. The Fair Board is composed of members appointed by the County's Board of Supervisors. The County elected officials have a continuing full or partial oversight responsibility over and accountability for fiscal matters of the fair. As an integral part of the County, the County fair is reported as a nonmajor special revenue fund in the County's financial statements.

Special Districts Governed by the Board of Supervisors - The County Board of Supervisors is the governing body of a number of special purpose district funds. Among its duties, the County Board of Supervisors approves the budgets, special taxes and fees and all payments of these special districts. As an integral part of the County, these special districts are reported as nonmajor special revenue funds in the County's financial statements.

Air Pollution
Crescent Mills Lighting
Quincy Lighting
Beckworth CSA Sewer

Flood Control
CSA #11 Ambulance
Walker Ranch CSD
Grizzly Ranch CSD

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

CSA #12 Plumas County Transit - The CSA #12 Plumas County Transit was established June 1, 1982 to provide transportation services for the County. The County Board of Supervisors is the governing body of this fund and approves all payments. As an integral part of the County, this fund is reported as a nonmajor enterprise fund in the County's financial statements.

County of Plumas Public Facilities Corporation - The Corporation was originally established in 2002 as a nonprofit public benefit corporation. The Corporation was reorganized in 2015 to refinance certificates of participation previously issued. The Corporation was created for the purpose of providing financing for public capital improvements owned and operated by the County. The Corporation is the lessor for the County's Umpqua Bank Loan and makes debt service payments on behalf of the County. The Board of Supervisors is the governing body of the Corporation and because its financial and operational relationship with the County is closely integrated, the activity and debt of the Corporation is reported in the County financial statements and the Corporation does not issue separate financial statements.

Discretely Presented Component Units

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

Related Organizations

Plumas County Community Development Commission - The Plumas County Community Development Commission (PCCDC) was established to operate and to govern the Housing Authority and the Community Development Commission. PCCDC is considered to be a related organization to the County of Plumas.

Joint Agencies

The County is a participant in Trindel Insurance Fund (Trindel) the purpose of which is to provide for the creation and operation of a common risk sharing and insurance purchasing pool to be used to meet the obligations of the member counties to provide Worker's Compensation benefits for their employees and to provide public liability and property damage insurance for its members. Trindel is governed by a Joint Powers Agreement between the member counties pursuant to Article 1 (commencing with Section 6500), Chapter 5 of Division 7, Title 1 of the Government Code of California. Complete audited financial statements can be obtained from their office at P.O. Box 2069, Weaverville, CA 96093. The County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Joint Agencies (Continued)

The County is a member of the California State Association of Counties Excess Insurance Authority (CSAC). CSAC is a joint powers authority organized for the purpose of developing and funding excess insurance programs for member counties. CSAC operates public entity risk pools for workers' compensation, comprehensive liability, property, and medical malpractice, and the pool purchases excess insurance and services for members. CSAC is under the control and direction of a board of directors consisting of representatives of the fifty member counties. Complete audited financial statements can be obtained from CSAC's office at 75 Iron Point Circle, Suite 200, Folsom, California 95630. The County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the County and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down are included in the program expense reported for individual functions and activities. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and proprietary funds are separately aggregated and reported as nonmajor funds.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General fund includes such activities as public protection, public ways and facilities, health and welfare, public assistance, education, and recreation services.
- The Road fund is a special revenue fund used to account for revenues and expenditures for streets and road expansion. Funding comes primarily from state highway users tax and state and federal highway improvement grants.
- The Local Revenue 2011 fund is a special revenue fund used to account for revenues and expenditures related to realignment funding. Funding comes primarily from state realignment revenues.
- The Social Services fund is a special revenue fund used to account for revenues and expenditures for social welfare. Funding comes primarily from state and federal grant revenues.
- The Mental Health fund is a special revenue fund used to account for revenues and expenditures for mental health programs. Funding comes primarily from state grant revenue.
- The Public Health fund is a special revenue fund used to account for revenues and expenditures for public health programs. Funding comes primarily from federal and state grant revenues.

The County reports the following major proprietary funds:

- The Airport fund is an enterprise fund used to account for activity related to providing customers with airport facilities and services.
- The Solid Waste Planning and Operation fund is an enterprise fund used to account for activity related to providing customers with solid waste service.

The County reports the following additional fund types:

- Internal Service funds account for the County's self insurance programs which provide services to other departments on a cost reimbursement basis.
- The Investment Trust funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The assets of these funds are held in trust for other agencies and are part of the County's external pool. The external investment pool is made up of special districts governed by local boards, school districts, school districts debt service, and trial court. The County is obligated to disburse monies from these funds on demand.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- Agency funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the County include two separate components.

Accrued Trust funds - Accounts for property tax receipts awaiting apportionment to other local governmental agencies and investment earnings awaiting apportionment to other local government agencies.

County Departmental Agency funds - Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

Fiduciary funds include investment trust funds and agency funds. All investment trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

E. Cash and Cash Equivalents

For purposes of the accompanying Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when purchased, including cash with fiscal agent, and their equity in the County Treasurer's investment pool, to be cash equivalents.

F. Investments

The County sponsors an investment pool that is managed by the County Treasurer. The County's pool activity is governed by California Government Code Sections 27000.1 and 53607, as well as the County's investment policy.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short term investments are reported at amortized cost, investments in the State of California Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accrued discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2018, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

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

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Restricted Cash and Investments

Restricted assets in the County's enterprise funds represent cash and investments held in the Solid Waste Planning and Operations fund of \$3,271,708 for closure/post-closure funding.

H. Receivables

Receivables for governmental activities consist mainly of accounts, taxes, and intergovernmental revenue. Receivables for business-type activities consist mainly of user fees and intergovernmental revenue. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

I. Other Assets

Prepaid Costs

Payments made for services that will benefit periods beyond June 30, 2018 are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventory

Inventories are stated at cost (first-in, first-out basis) for governmental funds and proprietary funds. Inventory recorded by governmental funds includes postage and materials and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Inventory recorded by proprietary funds includes fuel for the Airport. Proprietary fund inventories are recorded as expenses at the time the inventory is consumed.

J. Capital Assets

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer, and similar items) are defined by the County as assets with a cost of more than \$5,000 and an estimated useful life of more than five years. Capital assets are recorded at historical cost, or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

Infrastructure assets, including bridges and roads, have been stated at estimated historical cost. Estimated historical cost for bridges was arrived at by developing a listing of all bridges constructed after 1980. Using the year constructed, width, and length of the bridges, the estimated historical cost was calculated. Estimated historical cost for roads was arrived at by developing a list of all roads located within the County. Each road was identified by type, paved/flat, paved/hillside, and graveled. The current cost assigned to each road was factored back to the year of construction using the federal-aid highway construction factors to arrive at an estimated historical cost for each road.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

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

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

K. Property Tax

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

The County of Plumas is responsible for assessing, collecting, and distributing property taxes in accordance with State law. Property taxes are levied on both secured (real property) and unsecured (personal property other than land and buildings) property. Supplemental property taxes are assessed upon transfer of ownership in property or completion of new construction.

The County levies, bills, and collects taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/Lien Dates	January 1	January 1
Due Dates	November 1 (1 st installment) February 1 (2 nd installment)	July 1
Delinquent Dates	December 10 (1 st installment) April 10 (2 nd installment)	August 31

The County of Plumas apportions secured property tax revenue in accordance with the alternate method of distribution, the "Teeter Plan", as prescribed by Sections 4701 through 4717 of the California Revenue and Taxation code. Under the Teeter Plan, the County allocates to local taxing agencies 100 percent of the secured property taxes billed. In return, the County retains penalties and interest on delinquent secured taxes in the Tax Loss Reserve Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax (Continued)

The County is legally required to maintain a minimum balance of 1 percent of the annual taxes levied on properties participating in the Teeter Plan. The balance in the TLRF was \$400,839 at June 30, 2018. The County's management believes that any ownership rights to the TLRF the County may have are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County's Teeter Plan and accounted for in an agency fund.

L. Interfund Transactions

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

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

M. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

N. Compensated Absences

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

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's 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, 2018
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items which qualify for reporting in this category. These items relate to the outflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items which qualify for reporting in this category. The first item, unavailable revenue, is reported only on the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second and third items relate to the inflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Estimates

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

S. Implementation of Governmental Accounting Standards Board Statements (GASB)

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This statement also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

Statement No. 81, Irrevocable Split-Interest Agreements. This statement improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

Statement No. 85, Omnibus 2017. This statement addresses practice issues that have been identified during implementation and application of certain GASB Statements including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits.

Statement No. 86, Certain Debt Extinguishment Issues. This statement improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Restatement of Net Position

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning net position. During the current year, a prior period adjustment was made to reflect the prior period costs related to implementing the net OPEB liability as required by GASB Statement No. 75.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Restatement of Net Position (Continued)

The impact of the restatement on the net position of the government-wide financial statements as previously reported is presented below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Position, June 30, 2017, as previously reported	\$ 41,562,368	\$ 5,641,022
Adjustment associated with:		
Net OPEB Liability Adjustment	(4,234,497)	(65,471)
Total Adjustments	(4,234,497)	(65,471)
Net Position, July 1, 2017, as restated	<u>\$ 37,327,871</u>	<u>\$ 5,575,551</u>

The impact of the restatement on the net position of the fund financial statements as previously reported is presented below:

	<u>Other Enterprise</u>	
	<u>Airport</u>	<u>Funds</u>
Net Position, June 30, 2017, as previously reported	\$ 5,043,624	(\$ 18,239)
Adjustment associated with:		
Net OPEB Liability Adjustment	(19,649)	(45,822)
Total Adjustments	(19,649)	(45,822)
Net Position, July 1, 2017, as restated	<u>\$ 5,023,975</u>	<u>(\$ 64,061)</u>

B. Deficit Fund Balance/Net Position

The following non-major governmental funds had deficit fund balances as of June 30, 2018. These deficits are expected to be eliminated through future additional funding.

Air Pollution	\$ 11
Quincy Lighting	20,259
Beckwourth CSA Sewer	34,299
Flood Control	402,878

The following non-major proprietary fund had a deficit net position as of June 30, 2018. This deficit is expected to be eliminated though additional funding.

Senior Transit	\$ 70,643
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C. Rebatable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. At June 30, 2018, the County does not expect to incur a liability.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 3: CASH AND INVESTMENTS

The County Treasurer manages, in accordance with California Government Code Section 53600, funds deposited in the investment pool by the County, all county school districts, various districts, and some cities within the County. The County investment pool is not registered with the Securities and Exchange Commission as an investment company. California Government Code and the County Investment Policy govern the investment pool activity. The objectives of the policy are in order of priority, safety, liquidity, yield and public trust. The pool attempts to match maturities with planned outlays and maximize the return on investment over various market cycles. Yield is considered only after safety and credit quality have been met, consistent with limiting risk and prudent investment principles.

The Board of Supervisors monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the Board of Supervisors and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. All cash and investments, with the exception of deposits with fiscal agents, are considered part of the investment pool.

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the primary government as an Investment Trust Fund which does not have separate financial reports. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The investments of involuntary participants in the investment pool totaled \$47,870,997 at June 30, 2018.

A. Financial Statement Presentation

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

Primary government	\$ 54,780,241
Investment trust funds	47,870,997
Agency funds	<u>1,713,665</u>
Total Cash and Investments	<u><u>\$ 104,364,903</u></u>

As of June 30, 2018, the County's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 16,842
Deposits (less outstanding checks)	<u>7,849,918</u>
Total Cash in County Pool	7,866,760
Deposits with fiscal agents	<u>6,119,112</u>
Total Cash	<u>13,985,872</u>
Investments:	
In Treasurer's Pool	<u>90,379,031</u>
Total Investments	<u>90,379,031</u>
Total Cash and Investments	<u><u>\$ 104,364,903</u></u>

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Cash

At year end, the carrying amount of the County's cash deposits (including amounts in checking accounts, money market accounts and deposits with fiscal agents) was \$13,969,030 and the bank balance was \$18,096,051. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the County had cash on hand of \$16,842.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The County's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the County's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized.

C. Investments

Pursuant to Section 53646 of the Government Code, the County prepares an investment policy annually and presents it to the Board of Supervisors for review and approval. The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law. Under the provisions of the County's investment policy the County may invest or deposit in the following:

- U.S. Treasuries and Agencies
- Banker's Acceptances
- Commercial Paper
- Medium Term Corporate Notes
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Time Certificates of Deposit
- Shares of Beneficial Interest
- Local Agency Investment Fund (LAIF)
- California Asset Management Program (CAMP)

Fair Value of Investments - The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

The County's position in external investment pools is in its self regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the County's investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2018, the County had the following recurring fair value measurements:

Investment Type	Fair Value Measurements Using			
	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level				
US Treasury Notes	\$ 10,917,506	\$ 10,917,506	\$ -	\$ -
Federal Agencies	2,134,550	2,134,550	-	-
Corporate Notes	9,664,269	9,664,269	-	-
Negotiable Certificates of Deposit	6,439,673	6,439,673	-	-
Commercial Paper	199,184	199,184	-	-
Supranationals	1,617,872	1,617,872	-	-
Asset Back Securities	2,359,766	2,359,766	-	-
Total Investments Measured at Fair Value	33,332,820	\$ 33,332,820	\$ -	\$ -
Investments in External Investment Pool				
LAIF	10,236,684			
CAMP	<u>46,809,527</u>			
Total Investments	<u>\$ 90,379,031</u>			

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit the exposure to fair value losses from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations. Any investments that mature more than five years from the date of purchase require prior approval of the Board of Supervisors.

As of June 30, 2018, the County had the following investments, all of which had a maturity of five years or less:

Investment Type	Maturities			Fair Value	Weighted Average Maturity (Years)
	Interest Rates	0-1 year	1-5 years		
US Treasury Notes	1.250-2.375%	\$ -	\$ 10,917,506	\$ 10,917,506	3.70
Federal Agencies	0.831-4.500%	329,229	1,805,321	2,134,550	1.52
Corporate Notes	1.800-5.700%	134,978	9,529,291	9,664,269	3.68
Negotiable Certificates of Deposit	1.840-3.240%	1,225,000	5,214,673	6,439,673	1.65
Commercial Paper	0.000%	199,184	-	199,184	0.01
Supranationals	1.750-2.635%	-	1,617,872	1,617,872	0.87
Asset Backed Securities	2.120-3.010%	-	2,359,766	2,359,766	1.49
LAIF	Variable	10,236,684	-	10,236,684	-
CAMP	Variable	<u>46,809,527</u>	<u>-</u>	<u>46,809,527</u>	<u>-</u>
Total Investments		\$58,934,602	\$31,444,429	\$90,379,031	0.97

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by type of investment to be met at time of purchase. Presented below is the minimum rating required by (where applicable) the California Government Code or the County's investment policy, and the actual rating as of year end for each investment type.

Investment Type	Minimum Legal Rating	Poor's Rating	Moody's Rating	% of Portfolio
US Treasury Notes	N/A	AA+	Aaa	12.08%
Federal Home Loan Bank	N/A	AA+	Aaa	0.61%
Federal Home Loan Mortgage Corp.	N/A	AA+	Aaa	0.27%
Federal Home Loan Mortgage Corp. - CMO	N/A	AA+	Aaa	0.01%
Federal National Mortgage Assoc.	N/A	AA+	Aaa	0.85%
Federal National Mortgage Assoc - CMO	N/A	AA+	Aaa	0.62%
Corporate Notes	A	A	A1	1.33%
Corporate Notes	A	A	A2	1.33%
Corporate Notes	A	A	A3	0.60%
Corporate Notes	A	A-	A2	1.15%
Corporate Notes	A	A-	A3	1.12%
Corporate Notes	A	A+	A1	1.62%
Corporate Notes	A	A+	A2	0.34%
Corporate Notes	A	AA	Aa2	0.77%
Corporate Notes	A	AA-	Aa3	0.59%
Corporate Notes	A	BBB+	A3	1.13%
Corporate Notes	A	BBB+	Baa1	0.71%
Negotiable Certificates of Deposit	N/A	A	A1	1.09%
Negotiable Certificates of Deposit	N/A	A+	A1	0.92%
Negotiable Certificates of Deposit	N/A	A+	Aa2	1.37%
Negotiable Certificates of Deposit	N/A	AA-	A1	0.61%
Negotiable Certificates of Deposit	N/A	AA-	Aa2	0.69%
Negotiable Certificates of Deposit	N/A	AA-	Aa3	1.10%
Negotiable Certificates of Deposit	N/A	A-1+	P-1	0.58%
Negotiable Certificates of Deposit	N/A	A-1	P-1	0.77%
Commercial Paper	N/A	A-1	P-1	0.22%
Supranationals	N/A	AAA	Aaa	1.79%
Asset Backed Securities	N/A	AAA	Aaa	1.34%
Asset Backed Securities	N/A	NR	Aaa	1.27%
LAIF	N/A	Unrated	Unrated	11.33%
CAMP	N/A	Unrated	Unrated	51.79%
Total				<u>100.00%</u>

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the County's investment policy requires that all of its managed investments be held in the name of the County in safekeeping by a third party bank trust department.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The County's investment policy contains limitations on the amount that can be invested in any one issuer. At June 30, 2018, there were no investments in any one issuer (other than U.S. Treasury securities and external investment pools), that represent 5 percent or more of total County investments.

D. Investment in External Investment Pools

The County of Plumas maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but it is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2018, the County's investment in LAIF valued at amortized cost was \$10,236,684 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$88.8 billion. Of that amount, 97.33 percent is invested in non-derivative financial products and 2.67 percent in structured notes and asset-backed securities.

The County of Pumas also maintains an investment in the California Asset Management Program (CAMP), a California Joint Powers Authority established in 1989 by the treasurers and finance directors of several California agencies. CAMP was created to provide professional investment services to California public agencies at a reasonable cost. CAMP is not registered with the Securities and Exchange Commission as an investment company, but is a permitted investment for all local agencies under California Government Code Section 53601(p). CAMP is governed by a Board of Trustees composed of experienced local government finance directors and treasurers. The County's investment with CAMP as of June 30, 2018, was \$46,809,527, which approximates fair value. There are no restrictions on withdrawal of funds.

E. County Investment Pool Condensed Financial Information

The following are condensed statements of net position and changes in net position for the Treasurer's Pool at June 30, 2018:

	Internal Participants	External Participants	Total Pool
Statement of Net Position			
Cash on hand	\$ 16,842	\$ -	\$ 16,842
Deposits (less outstanding checks)	7,849,918	-	7,849,918
Investments	<u>42,508,034</u>	<u>47,870,997</u>	<u>90,379,031</u>
Net Position at June 30, 2018	<u><u>\$ 50,374,794</u></u>	<u><u>\$ 47,870,997</u></u>	<u><u>\$ 98,245,791</u></u>
Statement of Changes in Net Position			
Net position at July 1, 2017	\$ 48,316,907	\$ 45,991,060	\$ 94,307,967
Net changes in investments by pool participants	<u>2,057,887</u>	<u>1,879,937</u>	<u>3,937,824</u>
Net Position at June 30, 2018	<u><u>\$ 50,374,794</u></u>	<u><u>\$ 47,870,997</u></u>	<u><u>\$ 98,245,791</u></u>

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 4: CAPITAL ASSETS

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

	Balance July 1, 2017	Additions	Retirements/ Adjustments	Balance June 30, 2018
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,079,903	\$ 33,027	\$ -	\$ 2,112,930
Construction in progress	<u>7,995,137</u>	<u>547,084</u>	<u>-</u>	<u>8,542,221</u>
Total Capital Assets, Not Being Depreciated	<u>10,075,040</u>	<u>580,111</u>	<u>-</u>	<u>10,655,151</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	34,974,724	750,837	(95,574)	35,629,987
Equipment	24,519,769	678,442	(274,405)	24,923,806
Software	1,349,789	5,000	(2,170)	1,352,619
Infrastructure	<u>39,993,999</u>	<u>-</u>	<u>37</u>	<u>39,994,036</u>
Total Capital Assets, Being Depreciated	<u>100,838,281</u>	<u>1,434,279</u>	<u>(372,112)</u>	<u>101,900,448</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(15,362,422)	(589,142)	95,574	(15,855,990)
Equipment	(19,247,767)	(1,223,872)	274,405	(20,197,234)
Software	(1,306,084)	(29,410)	2,170	(1,333,324)
Infrastructure	<u>(25,004,365)</u>	<u>(806,549)</u>	<u>(37)</u>	<u>(25,810,951)</u>
Total Accumulated Depreciation	<u>(60,920,638)</u>	<u>(2,648,973)</u>	<u>372,112</u>	<u>(63,197,499)</u>
Total Capital Assets, Being Depreciated, Net	<u>39,917,643</u>	<u>(1,214,694)</u>	<u>-</u>	<u>38,702,949</u>
Governmental Activities Capital Assets, Net	<u>\$ 49,992,683</u>	<u>(\$ 634,583)</u>	<u>\$ -</u>	<u>\$ 49,358,100</u>
 Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 620,152	\$ -	\$ -	\$ 620,152
Total Capital Assets, Not Being Depreciated	<u>620,152</u>	<u>-</u>	<u>-</u>	<u>620,152</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	1,290,807	-	-	1,290,807
Equipment	2,050,158	216,962	-	2,267,120
Software	15,660	-	-	15,660
Infrastructure	<u>11,035,896</u>	<u>2,136,049</u>	<u>-</u>	<u>13,171,945</u>
Total Capital Assets, Being Depreciated	<u>14,392,521</u>	<u>2,353,011</u>	<u>-</u>	<u>16,745,532</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(901,521)	(36,046)	-	(937,567)
Equipment	(1,725,141)	(118,953)	-	(1,844,094)
Software	(15,660)	-	-	(15,660)
Infrastructure	<u>(6,769,405)</u>	<u>(720,706)</u>	<u>-</u>	<u>(7,490,111)</u>
Total Accumulated Depreciation	<u>(9,411,727)</u>	<u>(875,705)</u>	<u>-</u>	<u>(10,287,432)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,980,794</u>	<u>1,477,306</u>	<u>-</u>	<u>6,458,100</u>
Business-Type Activities Capital Assets, Net	<u>\$ 5,600,946</u>	<u>\$ 1,477,306</u>	<u>\$ -</u>	<u>\$ 7,078,252</u>

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 430,953
Public protection	384,142
Health and welfare	177,412
Public assistance	113,902
Education	18,187
Culture and recreation	55,795
Public ways and facilities	<u>1,468,582</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 2,648,973</u>

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

Airport	\$ 772,908
Solid Waste	39,889
Transit	<u>62,908</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 875,705</u>

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on the Gansner Park river pathway and various bridge and road projects.

NOTE 5: INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2018:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 2,715	\$ -
Local Revenue 2011	-	800,951
Social Services	800,951	-
Nonmajor Governmental Funds	-	1,932
Solid Waste Planning and Operations	<u>-</u>	<u>783</u>
Total	<u>\$ 803,666</u>	<u>\$ 803,666</u>

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not in spendable form. The following are advances to/from other funds as of June 30, 2018:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$ 599,868	\$ -
Nonmajor Governmental Funds	-	579,868
Airport	<u>-</u>	<u>20,000</u>
Total	<u>\$ 599,868</u>	<u>\$ 599,868</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2018:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 8,933,651	\$ 8,321,323
Road	131,862	27,051
Local Revenue 2011	-	8,394,407
Social Services	6,836,829	1,575,866
Mental Health	2,700,462	979,276
Public Health	289,596	304,709
Nonmajor Governmental Funds	3,963,550	3,157,485
Solid Waste Planning and Operations	-	124,779
Nonmajor Enterprise Funds	<u>28,946</u>	<u>-</u>
Total	<u>\$ 22,884,896</u>	<u>\$ 22,884,896</u>

NOTE 6: UNEARNED REVENUE

At June 30, 2018, the components of unearned revenue reported were as follows:

	<u>Unearned</u>
General Fund	
Payments received in advance	\$ 1,190
Airport	
Rent revenue received in advance	5,521
County Fair	
Fair revenue advances received	<u>42,687</u>
Total	<u>\$ 49,398</u>

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 7: LONG-TERM LIABILITIES

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

Type of Indebtedness	Balance July 1, 2017	Adjustments/		Balance June 30, 2018	Amounts Due Within One Year
		Additions	Retirements		
Governmental Activities					
Loans	\$ 13,975,000	\$ -	(\$ 655,000)	\$ 13,320,000	\$ 685,000
Compensated Absences	<u>4,940,248</u>	<u>3,434,872</u>	<u>(3,303,555)</u>	<u>5,071,565</u>	<u>3,303,554</u>
Total Governmental Activities	<u>\$ 18,915,248</u>	<u>\$ 3,434,872</u>	<u>(\$ 3,958,555)</u>	<u>\$ 18,391,565</u>	<u>\$ 3,988,554</u>
Business-Type Activities					
Closure/Postclosure	\$ 3,271,708	\$ 58,828	\$ -	\$ 3,330,536	\$ -
Compensated Absences	<u>7,357</u>	<u>9,400</u>	<u>(11,902)</u>	<u>4,855</u>	<u>4,855</u>
Total Business-Type Activities	<u>\$ 3,279,065</u>	<u>\$ 68,228</u>	<u>(\$ 11,902)</u>	<u>\$ 3,335,391</u>	<u>\$ 4,855</u>

Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred.

Individual issues of debt payable outstanding at June 30, 2018, are as follows:

Governmental Activities

Loans:

Umpqua Bank Loan, issued June 1, 2015, in the amount of \$15,255,000 and payable in annual installments of \$640,000 to \$1,125,000, with an interest rate of 3.63% and maturity on June 1, 2033. The loan was used to refinance the certificates of participation previously used to fund the acquisition and construction of the health and human services center, a permit center, and an animal shelter, as well as finance a new jail facility. \$ 13,320,000

Total Loans	<u>13,320,000</u>
Total Governmental Activities	<u>\$ 13,320,000</u>

Following is a schedule of debt payment requirements of governmental activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities and landfill closure/postclosure costs which are reported in Note 9.

Governmental Activities

Year Ended June 30	Loans		
	Principal	Interest	Total
2019	\$ 685,000	\$ 483,516	\$ 1,168,516
2020	710,000	458,651	1,168,651
2021	735,000	432,878	1,167,878
2022	760,000	406,197	1,166,197
2023	790,000	378,609	1,168,609
2024-2028	4,390,000	1,442,018	5,832,018
2029-2033	<u>5,250,000</u>	<u>585,156</u>	<u>5,835,156</u>
Total	<u>\$ 13,320,000</u>	<u>\$ 4,187,025</u>	<u>\$ 17,507,025</u>

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 8: LEASES

Operating Leases

Rental expenses incurred under operating leases are not considered material.

NOTE 9: CLOSURE/POSTCLOSURE

The County of Plumas is responsible for one operating and one closed landfill site. State and Federal laws and regulations require the County to perform certain closure and postclosure maintenance and monitoring functions at the site for thirty years after closure. GASB Statement No. 18 requires that a portion of these closure and postclosure care costs be reported as an operating expense in each year based on landfill capacity used as of each statement of net position date. The \$3,330,536 reported as closure/postclosure liability at June 30, 2018, represents the cumulative amount reported to date based on the estimates used ranging from 45 to 100 percent of total permitted site capacity filled.

The County will recognize the remaining estimated cost of closure and postclosure care of \$3,520,284 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by State and Federal laws and regulations to provide financial assurance that appropriate resources will be available to finance closure and postclosure care costs in the future. At June 30, 2018, cash and investments of \$3,271,708 were held to fund closure costs. This deposit is held in the Solid Waste Planning and Operation enterprise fund. The County has approved a pledge of revenue to fund the postclosure costs. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

NOTE 10: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- **Unrestricted net position** - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 10: NET POSITION (CONTINUED)

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$33,903,087 of restricted net position, of which \$2,000,000 is restricted by enabling legislation.

NOTE 11: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2018, fund balances for governmental funds are made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **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. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the County’s highest level of decision-making authority. The Board of Supervisors is the highest level of decision making authority for the County that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. 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.
- **Unassigned fund balance** - the residual classification for the County’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 11: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2018, were distributed as follows:

	General Fund	Road	Local Revenue 2011	Social Services	Mental Health	Public Health	Nonmajor Governmental Funds	Total
Nonspendable:								
Prepaid costs	\$ 48,701	\$ -	\$ -	\$ 6,624	\$ 91	\$ 5,008	\$ 11,242	\$ 71,666
Inventory	-	316,874	-	-	-	-	-	316,874
Advances to other funds	<u>599,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,868</u>
Subtotal	<u>648,569</u>	<u>316,874</u>	<u>-</u>	<u>6,624</u>	<u>91</u>	<u>5,008</u>	<u>11,242</u>	<u>988,408</u>
Restricted for:								
General government	2,014,085	-	346,221	-	-	-	2,081,059	4,441,365
Public protection	-	-	-	-	-	-	2,671,013	2,671,013
Health and welfare	-	-	-	-	7,629,047	1,410,657	709,412	9,749,116
Public assistance	-	-	-	10,013,398	-	-	-	10,013,398
Public ways and facilities	-	2,171,640	-	-	-	-	1,739,555	3,911,195
Capital projects	-	-	-	-	-	-	254,389	254,389
Debt service	-	-	-	-	-	-	1,873,833	1,873,833
Subtotal	<u>2,014,085</u>	<u>2,171,640</u>	<u>346,221</u>	<u>10,013,398</u>	<u>7,629,047</u>	<u>1,410,657</u>	<u>9,329,261</u>	<u>32,914,309</u>
Committed to:								
General government	2,002,736	-	-	-	-	-	532,598	2,535,334
Public protection	<u>49,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,881</u>
Subtotal	<u>2,052,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>532,598</u>	<u>2,585,215</u>
Assigned to:								
General government	152,951	-	-	-	-	-	-	152,951
Public protection	<u>1,054,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,054,906</u>
Subtotal	<u>1,207,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,207,857</u>
Unassigned	8,939,768	-	-	-	-	-	(457,447)	8,482,321
Total	<u>\$14,862,896</u>	<u>\$2,488,514</u>	<u>\$ 346,221</u>	<u>\$10,020,022</u>	<u>\$7,629,138</u>	<u>\$1,415,665</u>	<u>\$ 9,415,654</u>	<u>\$ 46,178,110</u>

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Supervisors has adopted a fund balance policy for financial statement reporting. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures. The policy also provides for a measure of financial protection for the County against unforeseen circumstances and to comply with GASB 54. The minimum unrestricted fund balance may be recognized within the committed, assigned, or unassigned classifications.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 12: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the County's Safety cost sharing multiple employer and Miscellaneous agent multiple-employer defined benefit pension plan, Employee Pension Plan, administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for 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 plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the County added retirement tiers for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the County's retirement costs.

Summary of Rate Tiers and Eligible Participants

Open for New Enrollment

Miscellaneous PEPRA
Safety - Sheriff PEPRA

Miscellaneous members hired on or after January 1, 2013
County Sheriff officers hired on or after January 1, 2013

Closed to New Enrollment

Miscellaneous
Safety - Sheriff
Safety - County Peace Officer

Miscellaneous employees hired before January 1, 2013
County Sheriff officers hired before January 1, 2013
Safety County peace officers hired before January 1, 2013

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.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 12: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Each Rate Tier's specific provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.0% @ 55	50-67	1.426% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	52-67	1.000% to 2.500%
Safety Sheriff	3.0% @ 55	50-55	2.400% to 3.000%
Safety County Peace Officer	2.0% @ 50	50-55	2.000% to 2.700%
Safety Sheriff PEPRA	2.0% @ 57	50-57	1.426% to 2.000%

Employees Covered

At June 30, 2018, the following employees were covered by the benefit terms for the Miscellaneous Rate Tier including independent entities (courts).

	<u>Inactive Employees or Beneficiaries Currently Receiving Benefits</u>	<u>Inactive Employees Entitled to But Not Yet Receiving Benefits</u>	<u>Active Employees</u>
Miscellaneous	432	366	353

Contributions

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

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	8.044%	7.000%	4.000%
Miscellaneous PEPRA	8.044%	6.250%	0.000%
Safety Sheriff	18.487%	9.000%	2.000%
Safety County Peace Officer	16.498%	9.000%	2.000%
Safety Sheriff PEPRA	12.729%	12.250%	0.000%

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 12: PENSION PLAN (CONTINUED)

B. Net Pension Liability

The County's net pension liability for the 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, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increase	Varies by entry-age and service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 20, 2016 valuation were based on the results of an actuarial experience study for the period 1997 to 2011 including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website.

Change of Assumptions

In 2017-18, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The test revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB 68 section.

¹The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB, for more details on this table, please refer to the 2014 experience study report.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 12: PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Discount Rate (Continued)

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. Taking into account historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF 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 equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted effective on July 1, 2014.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	<u>2.0%</u>	-0.40%	-0.90%
Total	<u><u>100.0%</u></u>		

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

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

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 12: PENSION PLAN (CONTINUED)

C. Changes in the Net Pension Liability

As of June 30, 2018, the changes in the net pension liability of the agent multiple-employer defined benefit pension plan, including independent entities (courts), is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Increase (Decrease)	Net Pension Liability/(Asset)
Miscellaneous:				
Balance at June 30, 2016	<u>\$ 127,987,863</u>	<u>\$ 93,130,810</u>	<u>\$ 34,857,053</u>	
Changes in the year:				
Service cost	2,639,909	-	2,639,909	
Interest on the total pension liability	9,482,068	-	9,482,068	
Changes in assumptions	7,229,372	-	7,229,372	
Differences between expected and actual experience (452,659)	-	(452,659)	
Net plan to plan resource movement	-	2,355	(2,355)	
Contribution - employer	-	3,328,049	(3,328,049)	
Contribution - employee	-	1,170,402	(1,170,402)	
Net investment income	-	10,278,022	(10,278,022)	
Benefit payments, including refunds of employee contributions	(6,936,401)	(6,936,401)	-	
Administrative expense	<u>-</u>	<u>(137,501)</u>	<u>137,501</u>	
Net changes	<u>11,962,289</u>	<u>7,704,926</u>	<u>4,257,363</u>	
Balance at June 30, 2017	<u><u>\$ 139,950,152</u></u>	<u><u>\$ 100,835,736</u></u>		<u><u>39,114,416</u></u>
Less:				
Amount allocated to independent entities				1,542,069
Balance at June 30, 2017				<u><u>\$ 37,572,347</u></u>

As of June 30, 2018, the County reported net pension liabilities for its proportionate share of the net pension liability of the cost sharing multiple-employer defined benefit pension plan as follows:

	Proportionate Share of Net Pension Liability
Safety	\$ 12,274,139
Total Net Pension Liability	<u><u>\$ 12,274,139</u></u>

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 12: PENSION PLAN (CONTINUED)

C. Changes in the Net Pension Liability (Continued)

The County's net pension liability for the cost sharing multiple-employer defined benefit pension 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, 2017, 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, 2016 rolled forward to June 30, 2017 using standard update procedures. The County's proportion 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 cost sharing multiple-employer defined benefit pension plan as of June 30, 2016 and 2017 was as follows:

	<u>Proportion</u> <u>June 30, 2016</u>	<u>Proportion</u> <u>June 30, 2017</u>	<u>Change -</u> <u>Increase (Decrease)</u>
Safety	.12681%	.12377%	(.00305)%

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

The following presents the net pension liability for the Plan as of the measurement date, 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 <u>6.15%</u>	Discount Rate <u>7.15%</u>	1% Increase <u>8.15%</u>
Miscellaneous	\$ 56,309,037	\$ 39,114,416	\$ 24,727,686
Safety	17,725,801	12,274,139	7,817,677

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

NOTE 12: PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2018, the County recognized pension expense of \$7,907,574. At June 30, 2018, 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 the measurement date	\$ 4,602,660	\$ -
Changes of assumptions	5,863,409	(134,356)
Differences between expected and actual experience	113,789	(752,250)
Net differences between projected and actual earnings on plan investments	1,746,764	-
Adjustment due to differences in proportions	30,910	-
Difference between County contributions and proportionate share of contributions	- (183,389)	(1,069,995)
Total	12,357,532	(275,258) 30,012
Less: amount allocated to independent entities	(275,258)	30,012
Total	<u>\$ 12,082,274</u>	<u>(\$ 1,039,983)</u>

\$4,602,660 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2019	\$ 2,192,212
2020	4,364,405
2021	1,121,411
2022	(993,151)
Thereafter	-
Total	<u>\$ 6,684,877</u>

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The County of Plumas provides, under defined benefit plans, retiree healthcare benefits to qualifying employees retiring directly from the County. The benefit level is determined by date of hire, length of service and bargaining unit. The County has two insurance companies, determined by bargaining unit; it contracts for medical coverage to be provided through agency multiple-employer CalPERS Health and Operating Engineer's Health plans. Vision and dental coverage is contracted separately for the employees being covered by CalPERS Health; whereas Operating Engineer's include vision and dental coverage through their health plan.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided

The County provides post-employment health benefits to eligible employees at retirement. The plans available and the County's financial obligation vary by employee group as summarized below:

Confidential Employees

Eligible employees may continue health (medical, dental and vision) coverage at retirement. Medical coverage is available through the CalPERS Health Program. Eligibility requires retirement under PERS (at least age 50 with at least 5 years of service). For employees with at least 15 years but less than 25 years of continuous County service at retirement, the County will contribute 25 percent of the County's health premium for an active employee. For employees with at least 25 years of continuous County service at retirement, the County will contribute 50 percent of the County's health premium for an active employee. The current County's contributions for an active employee are: \$567.78 for single coverage, \$1,156.72 for the two-party coverage and \$1,373.92 for family coverage. These contributions are scheduled to increase to the same contribution level as General employees.

The County's contribution for retiree health coverage will continue until age 65 at which time the retiree may continue on a self-pay basis. The County will continue to pay the CalPERS minimum required contribution for retirees and surviving spouses continuing coverage post age 65. If the retiree dies before attainment of age 65, the spouse may continue coverage on a self-pay basis.

Sheriff & Sheriff Management

Eligible employees may continue health (medical, dental and vision) coverage at retirement. Medical coverage is available through the CalPERS Health Program. Eligibility requires retirement under PERS (at least age 50 with at least 5 years of service). For employees with at least 15 years but less than 25 years of continuous County service at retirement, the County will contribute 25 percent of the County's health premium for an active employee. For employees with at least 25 years of continuous County service at retirement, the County will contribute 50 percent of the County's health premium for an active employee. The current County's contributions for the PORAC plan for an active employee are \$513.06 for single coverage, \$1,080.22 for two-party coverage and \$1,399.04 for family coverage.

The County's contribution for retiree health coverage will continue until age 65 at which time the retiree may continue on a self-pay basis. The County will continue to pay the CalPERS minimum required contribution for retirees and surviving spouses continuing coverage post age 65. If the retiree dies, the spouse may continue coverage on a self-pay basis.

Probation Department Employees

Eligible employees may continue health (medical, dental and vision) coverage at retirement. Medical coverage is available through the CalPERS Health Program. Eligibility requires retirement under PERS (at least age 50 with at least 5 years of service). For employees with at least 15 years but less than 25 years of continuous County service at retirement, the County will contribute 25 percent of the County's health premium for an active employee. For employees with at least 25 years of continuous County service at retirement, the County will contribute 50 percent of the County's health premium for an active employee. The current County's contributions for the PORAC plan for an active employee are: \$513.06 for single coverage, \$1,080.22 for two-party coverage and \$1,399.04 for family coverage. These contributions are scheduled to increase to the same contribution level as General employees.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

The County's contribution for retiree health coverage will continue until age 65 at which time the retiree may continue on a self-pay basis. The County will continue to pay the CalPERS minimum required contribution for retirees and surviving spouses continuing coverage post age 65. If the retiree dies before attainment of age 65, the spouse may continue coverage on a self-pay basis.

Management (Department Heads and Board of Supervisors)

Eligible employees may continue health (medical, dental and vision) coverage at retirement. Medical coverage is available through the CalPERS Health Program. Eligibility requires retirement under PERS (at least age 50 with at least 5 years of service). The County's contribution is based on the active employee contribution according to the following percentages:

<u>Years of Continuous Service</u>	<u>County Percentage</u>
6 Months to 4 Years of Service	25%
4 Years + 1 Day to 8 Years of Service	50%
8 Years + 1 Day to 12 Years of Service	75%
12 +1 Day or More Years of Service	100%

<u>Board of Supervisors</u>	
12 or More Years of Service	100%

The current County's contributions for an active employee are: \$449.38 for single coverage, \$901.08 for two-party coverage and \$1,171.92 for family coverage.

The County's contribution for retiree health coverage will continue until age 65 at which time the retiree may continue on a self-pay basis. The County will continue to pay the CalPERS minimum required contribution for retirees and surviving spouses continuing coverage post age 65. If the retiree dies, the spouse may continue coverage on a self-pay basis.

General Unit, Crafts & Trade and Mid-Management

Eligible employees may continue health (medical, dental and vision) coverage at retirement. Coverage is provided through the Operating Engineers Public and Miscellaneous Employees Health and Welfare Plan. Eligibility requires retirement under PERS (at least age 50 with at least 5 years of service). For employees with at least 15 years but less than 25 years of continuous County service at retirement, the County will contribute 25 percent of the County's health premium for an active employee. For employees with at least 25 years of continuous County service at retirement, the County will contribute 50 percent of the County's health premium for an active employee. The current County's contributions for an active employee are: \$624.60 for single coverage, \$1,248.30 for two-party coverage and \$1,486.00 for family coverage.

The County's contribution for retiree health coverage will continue until age 65 at which time the retiree may continue on a self-pay basis. If the retiree dies, the spouse may continue coverage on a self-pay basis.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

*Sick Leave**

All eligible employees may convert a portion of their unused sick-leave upon retirement to be used for the employee's portion of the retiree health contribution. The portion convertible depends on the employee's years of continuous service at retirement as follows:

<u>Years of Continuous Service</u>	<u>Percent of Sick Value</u>
0 to 5 Years of Service	25% of hours on the books
5 to 10 Years of Service	50% of hours on the books
10 to 15 Years of Service	75% of hours on the books
15 or More Years of Service	100% of hours on the books

The conversion to monies is based on rate of pay at retirement except for elected officials no longer earning sick leave (based on frozen rate of pay). Upon death of the retiree, the spouse may use any unused sick-leave monies to pay any applicable contributions for surviving spouse coverage. Any unused sick-leave monies remaining in the event of the death of the retiree and their surviving spouse shall be forfeitable to the County.

**Liability for sick leave accruals that may be converted to monies the retiree may use for health insurance contributions are not included in the valuation.*

Premium Rates

The County participates in the CalPERS Health Program and the Operating Engineers Public and Miscellaneous Employees Health and Welfare Plan, both community-rated programs. The later program includes dental and vision coverage. Employees in the CalPERS Health Program are eligible for a separate dental and vision plan. The following table summarizes the current monthly premiums for the primary plans in which the retirees are enrolled.

Employee Groups on the CalPERS Health Program

2018 Other Northern CA	Kaiser	BS HMO	PERS Care	PERS Choice	PERS Select
Retiree Only	\$ 795.43	\$ 894.43	\$ 866.93	\$ 813.96	\$ 691.78
Retiree Plus Spouse	\$ 1,590.86	\$ 1,788.86	\$ 1,733.86	\$ 1,627.92	\$ 1,383.56
Retiree Plus Family	\$ 2,068.12	\$ 2,325.52	\$ 2,254.02	\$ 2,116.30	\$ 1,798.63
Retiree Only - Medicare	\$ 316.34	N/A	\$ 382.30	\$ 345.97	\$ 345.97
Retiree Plus Spouse - Medicare	\$ 632.68	N/A	\$ 764.60	\$ 691.94	\$ 691.94

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

2018 Other Northern CA	UHC HMO	Anthem HMO Select	Anthem HMO Traditional	Anthem EPO	PORAC	Dental Plan	Vision Plan
Retiree Only	\$1,205.55	\$ 910.90	\$ 954.75	\$ 910.90	\$ 734.00	\$ 41.60	\$ 13.80
Retiree Plus Spouse	\$2,411.10	\$1,821.80	\$ 1,909.50	\$1,821.80	\$1,540.00	\$ 77.30	\$ 13.80
Retiree Plus Family	\$3,134.43	\$2,368.34	\$ 2,482.35	\$2,368.34	\$1,970.00	\$ 98.40	\$ 13.80
Retiree Only- Medicare	\$ 330.76	N/A	N/A	N/A	\$ 487.00	\$ 41.60	\$ 13.80
Retiree Plus Spouse-Medicare	\$ 661.52	N/A	N/A	N/A	\$ 970.00	\$ 77.30	\$ 13.80

Note: PORAC Plan is available only to Sheriff Management and Sheriff Department employees.

Operating Engineers Public and Miscellaneous Employees Health and Welfare Plan

	2018
Retiree Only	\$ 843.00
Retiree Plus Spouse	\$ 1,687.00
Retiree Only-Medicare	\$ 843.00
Retiree Plus Spouse-Medicare	\$ 1,687.00
Retiree Plus Spouse-Mixed	\$ 1,687.00

Employees Covered By Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	49
Active employees	<u>371</u>
	<u><u>420</u></u>

B. Net OPEB Liability

The County's net OPEB liability of \$7,192,757, was measured as of June 30, 2018, and was determined by the actuarial valuation as of June 30, 2018.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2018
Funding Method	Entry Age, level of percent of pay
Discount Rates	5.00 percent
Salary Increase	3.00 percent per year
Healthcare cost trend rates	See table below

Year	CalPERS PPOs	Operating Engineers Plan
2018	Actual	Actual
2019	Actual	Actual
2020	6.5%	6.0%
2021	6.0%	5.5%
2022	5.5%	5.0%
2023+	5.0%	5.0%

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

C. Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e. Fair value of the Plan assets), and the net OPEB liability during the measurement period ending on June 30, 2018 for the County's proportionate share.

	Increases (Decreases)		
	Plan		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2017	\$ 8,293,434	\$ 1,080,948	\$ 7,212,486
Changes for the year:			
Service cost	604,550	-	604,550
Interest	356,930	-	356,930
Contributions - employer	-	860,514	(860,514)
Net investment income	-	66,740	(66,740)
Change in assumptions	(53,955)	-	(53,955)
Benefit payments	(342,180)	(342,180)	-
Net Changes	565,345	585,074	(19,729)
Balances at June 30, 2018	<u>\$ 8,858,779</u>	<u>\$ 1,666,022</u>	<u>\$ 7,192,757</u>

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

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

The following presents the net OPEB liability of the County, as well as what the County's net OPEB 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 discount rate:

	1% Decrease <u>4.00%</u>	Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
Net OPEB Liability	\$ 8,162,369	\$ 7,192,757	\$ 6,362,444

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

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.00% HMO/5.50% PPO decreasing to <u>4.00% HMO/4.00% PPO</u>)	Trend Rate (6.00% HMO/6.50% PPO decreasing to <u>5.00% HMO/5.00% PPO</u>)	1% Increase (7.00% HMO/7.50% PPO decreasing to <u>6.00% HMO/6.00% PPO</u>)
Net OPEB Liability	\$ 6,167,722	\$ 7,192,757	\$ 8,438,942

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$886,819. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ -	(\$ 46,247)
Difference between projected and actual earning on OPEB Plan investments	<u>213</u>	<u>-</u>
Total	<u>\$ 213</u>	<u>(\$ 46,247)</u>

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Year Ended</u> <u>June 30</u>	<u>Deferred Inflows</u> <u>of Resources</u>
2019	(\$ 7,655)
2020	(7,655)
2021	(7,655)
2022	(7,654)
2023	(7,708)
Thereafter	(7,707)

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 has Risk Management Funds (internal service funds) to account for and finance its uninsured risks of loss for general liability and worker's compensation.

The County self-insures its general liability claims with a retention of \$100,000 per occurrence. It is the policy of the County to have the reserves evaluated by independent actuaries. The last actuarial evaluation was performed as of October 2012, for liability and workers' compensation.

The claims liability of the County is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability accrued on the financial statements for liability and workers' compensation is the ultimate cost of claims and expenses associated with all reported and unreported claims including allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE) reduced by a discount for anticipated investment income.

Actual claims liability at June 30, 2018 was as follows:

Liability	\$ 226,702
Workers' Compensation	<u>4,889,130</u>
Total	<u><u>\$ 5,115,832</u></u>

All funds of the County participate in the program and make payments to the risk management funds based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. At June 30, 2018, the Workers' Compensation/Liability risk management fund had a funding surplus of \$1,161,194.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 14: RISK MANAGEMENT (CONTINUED)

Changes in the County's claims liability amount for the fiscal years 2016, 2017, and 2018 were as follows:

Fiscal Year Ended	Balance at Beginning of Fiscal Year	Claims Payments and Changes In Estimates		Balance at End of Fiscal Year
		Current Year Claims		
2016	\$ 3,136,670	\$ 1,978,476	\$ 1,824,485	\$ 3,290,661
2017	3,290,661	2,804,658	235,852	5,859,467
2018	5,859,467	914,049	1,657,684	5,115,832

NOTE 15: OTHER INFORMATION

A. Commitments and Contingencies

At June 30, 2018, the County did not have any outstanding construction commitments.

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

The County is a defendant in various lawsuits. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable loss to the County, the loss has been accrued in the accompanying financial statements. Litigation where loss to the County is reasonably possible has not been accrued. All legal matters are covered by the County's liability program which, subject to a \$100,000 deductible per occurrence, provides complete coverage for County liability losses. Therefore, no provision has been made in the financial statements for a loss contingency.

B. Subsequent Events

Management has evaluated events subsequent to June 30, 2018 through March 23, 2019, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information
(Unaudited)**

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COUNTY OF PLUMAS
Required Supplementary Information
County Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2018
Last 10 Years*

Measurement Date	2013/14	2014/15	2015/16	2016/17
Miscellaneous				
Total Pension Liability				
Service cost	\$ 2,266,459	\$ 2,247,655	\$ 2,324,889	\$ 2,639,909
Interest	8,636,073	9,001,126	9,251,669	9,482,068
Changes of assumptions	-	(2,029,153)	-	7,229,372
Difference between expected and actual experience	-	(147,109)	(1,503,677)	(452,659)
Benefit payments, including refunds of employee contributions	(6,114,357)	(6,291,101)	(6,726,197)	(6,936,401)
Net Change in Total Pension Liability	4,788,175	2,781,418	3,346,684	11,962,289
Total Pension Liability - Beginning	<u>117,071,586</u>	<u>121,859,761</u>	<u>124,641,179</u>	<u>127,987,863</u>
Total Pension Liability - Ending (a)	<u>\$ 121,859,761</u>	<u>\$ 124,641,179</u>	<u>\$ 127,987,863</u>	<u>\$ 139,950,152</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 2,174,429	\$ 2,444,777	\$ 2,880,790	\$ 3,328,049
Contributions - employee	1,061,943	1,119,188	1,104,500	1,170,402
Net investment income	14,451,580	2,133,249	510,033	10,278,022
Benefit payments, including refunds of employee contributions	(6,114,357)	(6,291,101)	(6,726,197)	(6,936,401)
Plan to plan resource movement	-	71,138	-	2,355
Administrative expense	-	(107,229)	(58,153)	(137,501)
Net Change in Plan Fiduciary Net Position	11,573,595	(629,978)	(2,289,027)	7,704,926
Plan Fiduciary Net Position - Beginning	<u>84,476,220</u>	<u>96,049,815</u>	<u>95,419,837</u>	<u>93,130,810</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 96,049,815</u>	<u>\$ 95,419,837</u>	<u>\$ 93,130,810</u>	<u>\$ 100,835,736</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 25,809,946</u>	<u>\$ 29,221,342</u>	<u>\$ 34,857,053</u>	<u>\$ 39,114,416</u>
Plan fiduciary net position as a percentage of the total pension liability	78.82%	76.56%	72.77%	72.05%
Covered payroll	\$ 14,685,797	\$ 15,003,394	\$ 15,784,307	\$ 18,164,888
Net pension liability as a percentage of covered payroll	175.75%	194.76%	220.83%	215.33%

*The County implemented GASB 68 for the fiscal year June 30, 2015, therefore only four years are shown.

COUNTY OF PLUMAS
Required Supplementary Information
County Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2018
Last 10 Years*

Measurement Date	2013/14	2014/15	2015/16	2016/17
Safety				
Proportion of the net pension liability	0.14110%	0.13080%	0.15990%	0.00000%
Proportionate share of the net pension liability	\$ 8,777,841	\$ 8,976,642	\$ 10,973,356	\$ 12,274,139
Covered payroll	2,099,472	2,408,575	2,313,026	2,445,498
Proportionate share of the net pension liability as a percentage of covered payroll	418.10%	372.70%	474.42%	501.91%
Plan fiduciary net position as a percentage of the total pension liability	74.81%	74.09%	69.48%	68.50%

*The County implemented GASB 68 for the fiscal year June 30, 2015, therefore only four years are shown.

COUNTY OF PLUMAS
Required Supplementary Information
County Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2018
Last 10 Years*

Fiscal Year	2014/15	2015/16	2016/17	2017/18
Miscellaneous				
Contractually required contributions (actuarially determined)	\$ 2,174,429	\$ 2,764,087	\$ 3,357,436	\$ 3,516,529
Contributions in relation to the actuarially determined contributions	(2,174,429)	(2,764,087)	(3,357,436)	(3,516,529)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 15,003,394	\$ 15,784,307	\$ 18,164,888	\$ 18,266,492
Contributions as a percentage of covered payroll	14.49%	17.51%	18.48%	19.25%
Safety				
Contractually required contributions (actuarially determined)	\$ 777,285	\$ 382,499	\$ 399,893	\$ 1,086,131
Contributions in relation to the actuarially determined contributions	(777,285)	(938,136)	(999,240)	(1,086,131)
Contribution deficiency (excess)	\$ -	\$ (555,637)	\$ (599,347)	\$ -
Covered payroll	\$ 2,408,575	\$ 2,313,026	\$ 2,445,498	\$ 2,292,976
Contributions as a percentage of covered payroll	32.27%	16.54%	16.35%	47.37%

*The County implemented GASB 68 for the fiscal year June 30, 2015, therefore only four years are shown.

COUNTY OF PLUMAS
Required Supplementary Information
County Pension Plan
Notes to County Pension Plan
For the Year Ended June 30, 2018

NOTE 1: SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change of assumptions: In 2018, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

NOTE 2: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Change of assumptions: In 2018, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

NOTE 3: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates were as follows:

Miscellaneous Rate Tier:

Valuation Date	June 30, 2014
Actuarial cost method	Entry-Age Normal
Amortization method/period	For details, see June 30, 2014 Funding Valuation Report
Asset valuation method	Market value of assets. For details, see June 30, 2014 Funding Valuation Report.
Inflation	2.75 percent
Salary increases	Varies by Entry-Age and Service
Payroll growth	3.00 percent
Investment rate of return	7.50 percent, net of pension plan investment and administrative expenses; includes inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

COUNTY OF PLUMAS
Required Supplementary Information
County Pension Plan
Notes to County Pension Plan
For the Year Ended June 30, 2018

NOTE 3: SCHEDULE OF CONTRIBUTIONS (CONTINUED)

Safety Rate Tier:

Valuation Date	June 30, 2015
Actuarial cost method	Entry-Age Normal
Amortization method/period	For details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Market value of assets
Inflation	2.75 percent compounded annually
Salary increases	Varies by entry-age and service
Payroll growth	3.00 percent compounded annually
Investment rate of return	7.50 percent, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

COUNTY OF PLUMAS
Required Supplementary Information
County OPEB Plan
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2018
Last 10 Years*

Measurement Date	2017/2018
Total OPEB Liability	
Service cost	\$ 604,550
Interest	356,930
Change in assumptions	(53,955)
Benefit payments	<u>(342,180)</u>
Net Change in Total OPEB Liability	565,345
Total OPEB Liability - Beginning	<u>8,293,434</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 8,858,779</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 860,514
Net investment income	66,740
Benefit payments	<u>(342,180)</u>
Net Change in Plan Fiduciary Net Position	585,074
Plan Fiduciary Net Position - Beginning	<u>1,080,948</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 1,666,022</u></u>
Net OPEB Liability - Ending (a)-(b)	<u><u>\$ 7,192,757</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	18.81%
Covered payroll	\$ 19,818,000
Net OPEB liability as a percentage of covered payroll	36.29%

* The County implemented GASB 75 for the fiscal year June 30, 2018, therefore only one year is shown.

COUNTY OF PLUMAS
Required Supplementary Information
County OPEB Plan
Schedule of Contributions
For the Year Ended June 30, 2018
Last 10 Fiscal Years*

Fiscal Year	2017/18
Contractually required contributions (actuarially determined)	\$ 1,035,613
Contributions in relation to the actuarially determined contributions	<u>(860,514)</u>
Contribution deficiency (excess)	<u>\$ 175,099</u>
Covered payroll	\$ 19,818,000
Contributions as a percentage of covered payroll	4.34%

* The County implemented GASB 75 for the fiscal year June 30, 2018, therefore only one year is shown.

COUNTY OF PLUMAS
Required Supplementary Information
County OPEB Plan
Note to County OPEB Plan
For the Year Ended June 30, 2018

NOTE 1: SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Changes of Assumptions

The County adopted GASB Statement No. 75 for the fiscal year ending June 30, 2018.

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 16,158,738	\$ 16,158,738	\$ 17,175,372	\$ 1,016,634
Licenses, permits, and franchises	680,700	680,700	779,794	99,094
Fines and forfeitures	224,150	224,150	258,673	34,523
Intergovernmental	2,433,155	2,435,156	3,550,339	1,115,183
Use of money and property	98,030	98,030	187,783	89,753
Charges for services	2,975,386	2,886,045	2,998,299	112,254
Other revenues	351,733	432,728	694,729	262,001
Total Revenues	22,921,892	22,915,547	25,644,989	2,729,442
EXPENDITURES				
Current:				
General government	8,419,141	8,748,385	7,490,527	1,257,858
Public protection	13,228,304	13,251,785	11,813,485	1,438,300
Health and welfare	741,863	741,863	727,715	14,148
Public assistance	695,533	705,533	684,280	21,253
Education	696,470	696,469	606,429	90,040
Culture and recreation	410,130	410,629	380,267	30,362
Public ways and facilities	452,327	452,327	436,674	15,653
Capital outlay	1,210,055	1,358,964	926,618	432,346
Total Expenditures	25,853,823	26,365,955	23,065,995	3,299,960
Excess of Revenues Over (Under) Expenditures	(2,931,931)	(3,450,408)	2,578,994	6,029,402
OTHER FINANCING SOURCES (USES)				
Transfers in	9,634,134	9,672,524	8,933,651	(738,873)
Transfers out	(9,076,161)	(9,085,723)	(8,321,323)	764,400
Total Other Financing Sources (Uses)	557,973	586,801	612,328	25,527
Net Change in Fund Balances	(2,373,958)	(2,863,607)	3,191,322	6,054,929
Fund Balances - Beginning	11,671,574	11,671,574	11,671,574	-
Fund Balances - Ending	\$ 9,297,616	\$ 8,807,967	\$ 14,862,896	\$ 6,054,929

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2018

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Total Revenues - Budgetary Basis	\$25,644,989
OMB Circular A-87 charges are included as charges for services for budgetary purposes, but are a reduction of expenditures for financial reporting purposes.	<u>(1,412,101)</u>
Total Revenues - Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$24,232,888</u>
 Total Expenditures - Budgetary Basis	 \$23,065,995
OMB Circular A-87 charges are included as charges for services for budgetary purposes, but are a reduction of expenditures for financial reporting purposes.	<u>General government expenditures</u>
Total Expenditures - Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$21,653,894</u>

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
Road - Major Special Revenue Fund
For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
				<u>Positive (Negative)</u>
REVENUES				
Taxes and assessments	\$ 800	\$ 800	\$ 1,525	\$ 725
Licenses, permits, and franchises	73,000	73,000	65,898	(7,102)
Intergovernmental	6,476,808	6,476,808	5,992,229	(484,579)
Use of money and property	93,000	93,000	35,684	(57,316)
Charges for services	301,145	301,145	685,749	384,604
Other revenues	5,000	5,000	1,168	(3,832)
Total Revenues	6,949,753	6,949,753	6,782,253	(167,500)
EXPENDITURES				
Current:				
Public ways and facilities	8,821,031	8,821,030	6,443,467	2,377,563
Capital outlay	7,100	20,100	489,716	(469,616)
Total Expenditures	8,828,131	8,841,130	6,933,183	1,907,947
Excess of Revenues Over (Under) Expenditures	(1,878,378)	(1,891,377)	(150,930)	1,740,447
OTHER FINANCING SOURCES (USES)				
Transfers in	60,000	60,000	131,862	71,862
Transfers out	(33,000)	(20,000)	(27,051)	(7,051)
Total Other Financing Sources (Uses)	27,000	40,000	104,811	64,811
Net Change in Fund Balances	(1,851,378)	(1,851,377)	(46,119)	1,805,258
Fund Balances - Beginning	2,534,633	2,534,633	2,534,633	-
Fund Balances - Ending	\$ 683,255	\$ 683,256	\$ 2,488,514	\$ 1,805,258

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
Local Revenue 2011 - Major Special Revenue Fund
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 7,629,978	\$ 7,629,978	\$ 8,083,299	\$ 453,321
Total Revenues	<u>7,629,978</u>	<u>7,629,978</u>	<u>8,083,299</u>	<u>453,321</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>7,629,978</u>	<u>7,629,978</u>	<u>8,083,299</u>	<u>453,321</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,629,978)	(7,629,978)	(8,394,407)	(764,429)
Total Other Financing Sources (Uses)	<u>(7,629,978)</u>	<u>(7,629,978)</u>	<u>(8,394,407)</u>	<u>(764,429)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(311,108)</u>	<u>(311,108)</u>
Fund Balances - Beginning	<u>657,329</u>	<u>657,329</u>	<u>657,329</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 657,329</u>	<u>\$ 657,329</u>	<u>\$ 346,221</u>	<u>\$ (311,108)</u>

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
Social Services - Major Special Revenue Fund
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 6,963,896	\$ 7,023,044	\$ 4,503,553	\$ (2,519,491)
Use of money	40,000	40,000	85,164	45,164
Other revenues	47,842	47,842	83,610	35,768
Total Revenues	7,051,738	7,110,886	4,672,327	(2,438,559)
EXPENDITURES				
Current:				
Public assistance	10,118,957	10,153,537	8,278,631	1,874,906
Capital outlay	175,000	239,000	69,118	169,882
Total Expenditures	10,293,957	10,392,537	8,347,749	2,044,788
Excess of Revenues Over (Under) Expenditures	(3,242,219)	(3,281,651)	(3,675,422)	(393,771)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,289,370	7,353,370	6,836,829	(516,541)
Transfers out	(3,194,026)	(3,218,594)	(1,575,866)	1,642,728
Total Other Financing Sources (Uses)	4,095,344	4,134,776	5,260,963	1,126,187
Net Change in Fund Balances	853,125	853,125	1,585,541	732,416
Fund Balances - Beginning	8,434,481	8,434,481	8,434,481	-
Fund Balances - Ending	\$ 9,287,606	\$ 9,287,606	\$10,020,022	\$ 732,416

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
Mental Health - Major Special Revenue Fund
For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 6,654,709	\$ 6,654,709	\$ 4,530,958	\$ (2,123,751)
Use of money	78,750	78,750	97,837	19,087
Charges for services	170,200	170,200	104,831	(65,369)
Other revenues	5,500	5,500	8,434	2,934
Total Revenues	<u>6,909,159</u>	<u>6,909,159</u>	<u>4,742,060</u>	<u>(2,167,099)</u>
EXPENDITURES				
Current:				
Health and welfare	11,267,666	11,274,986	9,333,151	1,941,835
Capital outlay	86,639	86,639	55,545	31,094
Total Expenditures	<u>11,354,305</u>	<u>11,361,625</u>	<u>9,388,696</u>	<u>1,972,929</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,445,146)</u>	<u>(4,452,466)</u>	<u>(4,646,636)</u>	<u>(194,170)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,282,632	2,350,106	2,700,462	350,356
Transfers out	(1,217,266)	(1,277,420)	(979,276)	298,144
Total Other Financing Sources (Uses)	<u>1,065,366</u>	<u>1,072,686</u>	<u>1,721,186</u>	<u>648,500</u>
Net Change in Fund Balances	<u>(3,379,780)</u>	<u>(3,379,780)</u>	<u>(2,925,450)</u>	<u>454,330</u>
Fund Balances - Beginning	<u>10,554,588</u>	<u>10,554,588</u>	<u>10,554,588</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 7,174,808</u>	<u>\$ 7,174,808</u>	<u>\$ 7,629,138</u>	<u>\$ 454,330</u>

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
Public Health - Major Special Revenue Fund
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 5,111,357	\$ 5,191,357	\$ 4,155,825	\$ (1,035,532)
Use of money	600	600	5,654	5,054
Charges for services	470,346	509,014	689,171	180,157
Other revenues	-	-	1,452	1,452
Total Revenues	5,582,303	5,700,971	4,852,102	(848,869)
EXPENDITURES				
Current:				
Health and welfare	5,749,852	5,765,720	4,603,320	1,162,400
Capital outlay	50,000	130,000	126,080	3,920
Total Expenditures	5,799,852	5,895,720	4,729,400	1,166,320
Excess of Revenues Over (Under) Expenditures	(217,549)	(194,749)	122,702	317,451
OTHER FINANCING SOURCES (USES)				
Transfers in	446,613	446,613	289,596	(157,017)
Transfers out	(305,820)	(328,620)	(304,709)	23,911
Total Other Financing Sources (Uses)	140,793	117,993	(15,113)	(133,106)
Net Change in Fund Balances	(76,756)	(76,756)	107,589	184,345
Fund Balances - Beginning	1,308,076	1,308,076	1,308,076	-
Fund Balances - Ending	\$ 1,231,320	\$ 1,231,320	\$ 1,415,665	\$ 184,345

COUNTY OF PLUMAS
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2018

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for the County's General and major special revenue funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

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 August 30. 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.

The following procedures are performed by the County in establishing the budgetary data reflected in the financial statements:

- (1) The Budget Consultant (an independent contractor) submits to the Board of Supervisors a recommended budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Supervisors reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as recommended expenditures become appropriations to the various County departments. The Board of Supervisors may amend the budget by motion during the fiscal year. The County Auditor-Controller may authorize transfers from one object or purpose to another within the same department.

The County does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

Combining Nonmajor Fund Statements

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Nonmajor Governmental Funds

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COUNTY OF PLUMAS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue	Capital Projects	Debt Service	Total
ASSETS				
Cash and investments	\$ 7,739,547	\$ 253,115	\$ 1,873,833	\$ 9,866,495
Receivables:				
Accounts	74,479	-	-	74,479
Intergovernmental	414,284	3,068	-	417,352
Prepaid costs	<u>11,242</u>	<u>-</u>	<u>-</u>	<u>11,242</u>
Total Assets	<u><u>\$ 8,239,552</u></u>	<u><u>\$ 256,183</u></u>	<u><u>\$ 1,873,833</u></u>	<u><u>\$ 10,369,568</u></u>
LIABILITIES				
Accounts payable	\$ 162,960	\$ 1,794	\$ -	\$ 164,754
Salaries and benefits payable	113,230	-	-	113,230
Unearned revenue	42,687	-	-	42,687
Due to other funds	1,932	-	-	1,932
Advances from other funds	<u>579,868</u>	<u>-</u>	<u>-</u>	<u>579,868</u>
Total Liabilities	<u><u>900,677</u></u>	<u><u>1,794</u></u>	<u><u>-</u></u>	<u><u>902,471</u></u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>51,443</u>	<u>-</u>	<u>-</u>	<u>51,443</u>
Total Deferred Inflows of Resources	<u><u>51,443</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>51,443</u></u>
FUND BALANCES				
Nonspendable	11,242	-	-	11,242
Restricted	7,201,039	254,389	1,873,833	9,329,261
Committed	532,598	-	-	532,598
Unassigned	<u>(457,447)</u>	<u>-</u>	<u>-</u>	<u>(457,447)</u>
Total Fund Balances	<u><u>7,287,432</u></u>	<u><u>254,389</u></u>	<u><u>1,873,833</u></u>	<u><u>9,415,654</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 8,239,552</u></u>	<u><u>\$ 256,183</u></u>	<u><u>\$ 1,873,833</u></u>	<u><u>\$ 10,369,568</u></u>

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

	Special Revenue	Capital Projects	Debt Service	Total
REVENUES				
Taxes and assessments	\$ 286,053	\$ -	\$ -	\$ 286,053
Licenses, permits, and franchises	4,171	-	-	4,171
Fines and forfeitures	25,263	56,232	-	81,495
Intergovernmental	3,711,353	-	-	3,711,353
Use of money and property	396,681	2,599	13,327	412,607
Charges for services	441,353	-	-	441,353
Other revenues	328,501	-	-	328,501
Total Revenues	5,193,375	58,831	13,327	5,265,533
EXPENDITURES				
Current:				
General government	886,429	-	-	886,429
Public protection	3,088,083	40,804	-	3,128,887
Health and welfare	535,450	-	-	535,450
Public ways and facilities	618,361	-	-	618,361
Debt service:				
Principal	-	-	655,000	655,000
Interest and other charges	-	-	507,292	507,292
Capital outlay	347,313	-	-	347,313
Total Expenditures	5,475,636	40,804	1,162,292	6,678,732
Excess of Revenues Over (Under) Expenditures	(282,261)	18,027	(1,148,965)	(1,413,199)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,778,254	-	1,185,296	3,963,550
Transfers out	(2,757,485)	-	(400,000)	(3,157,485)
Total Other Financing Sources (Uses)	20,769	-	785,296	806,065
Net Change in Fund Balances	(261,492)	18,027	(363,669)	(607,134)
Fund Balances - Beginning	7,548,924	236,362	2,237,502	10,022,788
Fund Balances - Ending	\$ 7,287,432	\$ 254,389	\$ 1,873,833	\$ 9,415,654

Nonmajor Governmental Funds

- **Special Revenue Funds**

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COUNTY OF PLUMAS
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Fish and Game	Child Abuse Prevention	County Fair	Title III
ASSETS				
Cash and investments	\$ 110,366	\$ 121,318	\$ 75,364	\$ 926,512
Receivables:				
Accounts	-	36	-	-
Intergovernmental	178	-	-	-
Prepaid costs	-	-	2,701	-
Total Assets	\$ 110,544	\$ 121,354	\$ 78,065	\$ 926,512
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 13,502	\$ 4,758
Salaries and benefits payable	202	-	13,137	-
Unearned revenue	-	-	42,687	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	202	-	69,326	4,758
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	2,701	-
Restricted	110,342	121,354	6,038	921,754
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	110,342	121,354	8,739	921,754
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 110,544	\$ 121,354	\$ 78,065	\$ 926,512

Alcohol/ Drug	Public Safety	District Attorney Grants	County Local Revenue AB109	Child Support	DNA Penalty Prop 69	Probation Grant Dept	Tobacco Settlement
\$ 725,655	\$ 923,810	\$ 41,311	\$ 457,021	\$ 379,669	\$ 23,126	\$ 1,000,531	\$ 532,598
-	4,653	-	-	-	-	350	-
-	167,123	-	103,012	-	-	113,188	-
-	5,595	-	-	-	-	2,946	-
\$ 725,655	\$ 1,101,181	\$ 41,311	\$ 560,033	\$ 379,669	\$ 23,126	\$ 1,117,015	\$ 532,598
\$ 24,560 283	\$ 58,711 68,310	\$ - -	\$ - 19,649	\$ 4,285	\$ - -	\$ 29,826 8,077	\$ - -
-	-	-	-	-	-	-	-
-	1,921	-	-	-	-	-	-
-	-	-	-	-	-	-	-
24,843	128,942	-	-	23,934	-	37,903	-
-	51,443	-	-	-	-	-	-
-	51,443	-	-	-	-	-	-
-	5,595	-	-	-	-	2,946	-
700,812	915,201	41,311	560,033	355,735	23,126	1,076,166	-
-	-	-	-	-	-	-	532,598
-	-	-	-	-	-	-	-
700,812	920,796	41,311	560,033	355,735	23,126	1,079,112	532,598
\$ 725,655	\$ 1,101,181	\$ 41,311	\$ 560,033	\$ 379,669	\$ 23,126	\$ 1,117,015	\$ 532,598

COUNTY OF PLUMAS
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	California Used Oil Recycle	Recorder	Animal Control Spay/Neuter	Domestic Violence
ASSETS				
Cash and investments	\$ 52,875	\$ 506,637	\$ 2,387	\$ 6,792
Receivables:				
Accounts	-	462	-	23
Intergovernmental	-	-	25	-
Prepaid costs	-	-	-	-
Total Assets	\$ 52,875	\$ 507,099	\$ 2,412	\$ 6,815
LIABILITIES				
Accounts payable	\$ 3,204	\$ -	\$ 230	\$ -
Salaries and benefits payable	-	1,218	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	3,204	1,218	230	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	49,671	505,881	2,182	6,815
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	49,671	505,881	2,182	6,815
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 52,875	\$ 507,099	\$ 2,412	\$ 6,815

HAV A Elections	PCCDC CDBG Grant	Air Pollution	Crescent Mills Lighting	Quincy Lighting	Beckwourth CSA Sewer	CSA #11 Ambulance	Monterey Forum
\$ 52,838	\$ 34,515	\$ -	\$ 1,871	\$ 9,129	\$ 2,887	\$ 8,600	\$ 18,781
-	-	-	-	-	4,855	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 52,838	\$ 34,515	\$ -	\$ 1,871	\$ 9,129	\$ 7,742	\$ 8,600	\$ 18,781
\$ -	\$ -	\$ -	\$ -	\$ 4,688	\$ 147	\$ -	\$ -
-	-	-	-	-	894	-	-
-	-	-	-	-	-	-	-
-	-	11	-	-	-	-	-
-	-	-	600	24,700	41,000	-	-
-	-	11	600	29,388	42,041	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
52,838	34,515	-	1,271	-	-	8,600	18,781
-	-	-	-	-	-	-	-
-	-	(11)	-	(20,259)	(34,299)	-	-
52,838	34,515	(11)	1,271	(20,259)	(34,299)	8,600	18,781
\$ 52,838	\$ 34,515	\$ -	\$ 1,871	\$ 9,129	\$ 7,742	\$ 8,600	\$ 18,781

COUNTY OF PLUMAS
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Walker Ranch CSD	Grizzly Ranch CSD	Flood Control	Totals
ASSETS				
Cash and investments	\$ 1,701,983	\$ 57	\$ 22,914	\$ 7,739,547
Receivables:				
Accounts	-	-	64,100	74,479
Intergovernmental	-	-	30,758	414,284
Prepaid costs	-	-	-	11,242
Total Assets	\$ 1,701,983	\$ 57	\$ 117,772	\$ 8,239,552
LIABILITIES				
Accounts payable	\$ 13,427	\$ -	\$ 5,622	\$ 162,960
Salaries and benefits payable	-	-	1,460	113,230
Unearned revenue	-	-	-	42,687
Due to other funds	-	-	-	1,932
Advances from other funds	-	-	513,568	579,868
Total Liabilities	13,427	-	520,650	900,677
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	\$ 51,443
Total Deferred Inflows of Resources	-	-	-	51,443
FUND BALANCES				
Nonspendable	-	-	-	11,242
Restricted	1,688,556	57	-	7,201,039
Committed	-	-	-	532,598
Unassigned	-	-	(402,878)	(457,447)
Total Fund Balances (Deficits)	1,688,556	57	(402,878)	7,287,432
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,701,983	\$ 57	\$ 117,772	\$ 8,239,552

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COUNTY OF PLUMAS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	Fish and Game	Child Abuse Prevention	County Fair	Title III
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ 2,995	\$ -
Licenses, permits, and franchises	- -	- -	- -	- -
Fines and forfeitures	1,729	- -	- -	- -
Intergovernmental	2,297	303	52,848	202,511
Use of money and property	1,110	1,630	343,885	- -
Charges for services	- -	20,036	63,144	- -
Other revenues	<u>6,600</u>	<u>18,508</u>	<u>50,261</u>	<u>- -</u>
Total Revenues	<u>11,736</u>	<u>40,477</u>	<u>513,133</u>	<u>202,511</u>
EXPENDITURES				
Current:				
General government	- -	- -	560,884	42,087
Public protection	9,530	29,615	- -	- -
Health and welfare	- -	- -	- -	- -
Public ways and facilities	- -	- -	- -	- -
Capital outlay	<u>- -</u>	<u>- -</u>	<u>14,689</u>	<u>- -</u>
Total Expenditures	<u>9,530</u>	<u>29,615</u>	<u>575,573</u>	<u>42,087</u>
Excess of Revenues Over (Under) Expenditures	<u>2,206</u>	<u>10,862</u>	<u>(62,440)</u>	<u>160,424</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	- -	- -	119,782	- -
Transfers out	<u>- -</u>	<u>- -</u>	<u>(3,486)</u>	<u>(106,085)</u>
Total Other Financing Sources (Uses)	<u>- -</u>	<u>- -</u>	<u>116,296</u>	<u>(106,085)</u>
Net Change in Fund Balances	<u>2,206</u>	<u>10,862</u>	<u>53,856</u>	<u>54,339</u>
Fund Balances (Deficits) - Beginning	<u>108,136</u>	<u>110,492</u>	<u>(45,117)</u>	<u>867,415</u>
Fund Balances (Deficits) - Ending	<u>\$ 110,342</u>	<u>\$ 121,354</u>	<u>\$ 8,739</u>	<u>\$ 921,754</u>

Alcohol/ Drug	Public Safety	District Attorney Grants	County Local Revenue AB109	Child Support	DNA Penalty Prop 69	Probation Grant Dept	Tobacco Settlement
\$ -	\$ 21,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
3,589	8,022	1,809	-	-	8,018	2,096	-
546,575	679,098	-	828,072	604,499	-	546,805	211,742
-	1,210	416	-	4,708	208	9,951	5,825
12,549	37,080	-	-	-	-	-	-
-	196,413	-	-	-	-	2,258	-
562,713	943,400	2,225	828,072	609,207	8,226	561,110	217,567
71	-	-	-	-	-	-	-
-	1,960,985	786	-	644,789	62	431,878	-
414,235	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	244,712	-	-	25,011	-	-	-
414,235	2,205,697	786	-	669,800	62	431,878	71
148,478	(1,262,297)	1,439	828,072	(60,593)	8,164	129,232	217,496
413,565	1,796,017	-	-	-	-	438,975	-
(408,136)	(269,839)	-	(996,268)	-	(7,333)	(568,766)	(200,000)
5,429	1,526,178	-	(996,268)	-	(7,333)	(129,791)	(200,000)
153,907	263,881	1,439	(168,196)	(60,593)	831	(559)	17,496
546,905	656,915	39,872	728,229	416,328	22,295	1,079,671	515,102
\$ 700,812	\$ 920,796	\$ 41,311	\$ 560,033	\$ 355,735	\$ 23,126	\$ 1,079,112	\$ 532,598

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	<u>California Used Oil Recycle</u>	<u>Recorder</u>	<u>Animal Control Spay/Neuter</u>	<u>Domestic Violence</u>
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	- -	- -	- -	4,171 -
Fines and forfeitures	- -	- -	- -	- -
Intergovernmental	20,000 -	- -	- -	- -
Use of money and property	525 -	5,583 -	24 -	52 -
Charges for services	- -	44,932 -	792 -	- -
Other revenues	- -	- -	1,370 -	- -
Total Revenues	20,525	50,515	2,186	4,223
EXPENDITURES				
Current:				
General government	- -	98,007 -	- -	- -
Public protection	- -	- -	- -	481 -
Health and welfare	- -	- -	- -	- -
Public ways and facilities	13,646 -	- -	1,770 -	- -
Capital outlay	- -	- -	- -	- -
Total Expenditures	13,646	98,007	1,770	481
Excess of Revenues Over (Under) Expenditures	6,879	(47,492)	416	3,742
OTHER FINANCING SOURCES (USES)				
Transfers in	- -	- -	- -	- -
Transfers out	(2,361) -	- -	- -	- -
Total Other Financing Sources (Uses)	(2,361)	- -	- -	- -
Net Change in Fund Balances	4,518	(47,492)	416	3,742
Fund Balances (Deficits) - Beginning	45,153	553,373	1,766	3,073
Fund Balances (Deficits) - Ending	\$ 49,671	\$ 505,881	\$ 2,182	\$ 6,815

HAVA Elections	PCCDC CDBG Grant	Air Pollution	Crescent Mills Lighting	Quincy Lighting	Beckwourth CSA Sewer	CSA #11 Ambulance	Monterey Forum
\$ -	\$ -	\$ -	\$ 772	\$ 34,485	\$ 7,619	\$ 120,692	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	588	14,357	60	926	-
570	325	20	14	104	36	46	192
-	-	-	-	1,291	27,878	-	-
-	-	-	-	-	-	-	-
570	325	20	1,374	50,237	35,593	121,664	192
<hr/>							
3,612	181,768	-	-	-	-	-	-
-	-	9,957	-	-	-	-	-
-	-	-	-	-	-	121,215	-
-	-	-	733	57,260	37,199	-	-
-	-	-	-	-	-	-	-
3,612	181,768	9,957	733	57,260	37,199	121,215	-
(3,042)	(181,443)	(9,937)	641	(7,023)	(1,606)	449	192
<hr/>							
-	-	9,915	-	-	-	-	-
-	-	-	-	-	(15,881)	-	-
-	-	9,915	-	-	(15,881)	-	-
(3,042)	(181,443)	(22)	641	(7,023)	(17,487)	449	192
55,880	215,958	11	630	(13,236)	(16,812)	8,151	18,589
\$ 52,838	\$ 34,515	\$ (11)	\$ 1,271	\$ (20,259)	\$ (34,299)	\$ 8,600	\$ 18,781

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	Walker Ranch CSD	Grizzly Ranch CSD	Flood Control	Totals
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ 97,913	\$ 286,053
Licenses, permits, and franchises	- -	- -	- -	4,171
Fines and forfeitures	- -	- -	- -	25,263
Intergovernmental	- -	- -	672	3,711,353
Use of money and property	17,888	57	2,302	396,681
Charges for services	110,456	- -	123,195	441,353
Other revenues	- -	- -	53,091	328,501
Total Revenues	128,344	57	277,173	5,193,375
EXPENDITURES				
Current:				
General government	- -	- -	- -	886,429
Public protection	- -	- -	- -	3,088,083
Health and welfare	- -	- -	- -	535,450
Public ways and facilities	166,132	- -	341,621	618,361
Capital outlay	- -	- -	62,901	347,313
Total Expenditures	166,132	- -	404,522	5,475,636
Excess of Revenues Over (Under) Expenditures	(37,788)	57	(127,349)	(282,261)
OTHER FINANCING SOURCES (USES)				
Transfers in	- -	- -	- -	2,778,254
Transfers out	(32,252)	- -	(147,078)	(2,757,485)
Total Other Financing Sources (Uses)	(32,252)	- -	(147,078)	20,769
Net Change in Fund Balances	(70,040)	57	(274,427)	(261,492)
Fund Balances (Deficits) - Beginning	1,758,596	- -	(128,451)	7,548,924
Fund Balances (Deficits) - Ending	\$ 1,688,556	\$ 57	\$ (402,878)	\$ 7,287,432

Nonmajor Governmental Funds

- **Capital Projects Fund**

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COUNTY OF PLUMAS
Combining Balance Sheet
Nonmajor Capital Projects Fund
June 30, 2018

	Criminal Justice Construction	Total
ASSETS		
Cash and investments	\$ 253,115	\$ 253,115
Receivables:		
Intergovernmental	3,068	3,068
Total Assets	\$ 256,183	\$ 256,183
LIABILITIES		
Accounts payable	\$ 1,794	\$ 1,794
Total Liabilities	1,794	1,794
FUND BALANCE		
Restricted	254,389	254,389
Total Fund Balance	254,389	254,389
Total Liabilities and Fund Balance	\$ 256,183	\$ 256,183

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Nonmajor Capital Projects Fund
For the Year Ended June 30, 2018

	Criminal Justice Construction	Total
REVENUES		
Fines and forfeitures	\$ 56,232	\$ 56,232
Use of money and property	2,599	2,599
Total Revenues	<u>58,831</u>	<u>58,831</u>
EXPENDITURES		
Current:		
Public safety	40,804	40,804
Total Expenditures	<u>40,804</u>	<u>40,804</u>
Net Change in Fund Balance	18,027	18,027
Fund Balance - Beginning	236,362	236,362
Fund Balance - Ending	<u>\$ 254,389</u>	<u>\$ 254,389</u>

Nonmajor Governmental Funds

- **Debt Service Fund**

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COUNTY OF PLUMAS
Combining Balance Sheet
Nonmajor Debt Service Fund
June 30, 2018

	Capital Improvement	Total
ASSETS		
Cash and investments	<u>\$ 1,873,833</u>	<u>\$ 1,873,833</u>
Total Assets	<u>\$ 1,873,833</u>	<u>\$ 1,873,833</u>
LIABILITIES		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>
FUND BALANCES		
Restricted	<u>1,873,833</u>	<u>1,873,833</u>
Total Fund Balance	<u>1,873,833</u>	<u>1,873,833</u>
Total Liabilities and Fund Balance	<u>\$ 1,873,833</u>	<u>\$ 1,873,833</u>

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Nonmajor Debt Service Fund
For the Year Ended June 30, 2018

	<u>Capital Improvement</u>	<u>Total</u>
REVENUES		
Use of money and property	<u>\$ 13,327</u>	<u>\$ 13,327</u>
Total Revenues	<u>13,327</u>	<u>13,327</u>
EXPENDITURES		
Debt service:		
Principal	<u>655,000</u>	<u>655,000</u>
Interest and other charges	<u>507,292</u>	<u>507,292</u>
Total Expenditures	<u>1,162,292</u>	<u>1,162,292</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,148,965)</u>	<u>(1,148,965)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	<u>1,185,296</u>	<u>1,185,296</u>
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>
Total Other Financing Sources (Uses)	<u>785,296</u>	<u>785,296</u>
Net Change in Fund Balance	<u>(363,669)</u>	<u>(363,669)</u>
Fund Balance - Beginning	<u>2,237,502</u>	<u>2,237,502</u>
Fund Balance - Ending	<u>\$ 1,873,833</u>	<u>\$ 1,873,833</u>

Nonmajor Proprietary Funds

- Enterprise Funds

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COUNTY OF PLUMAS
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2018

	CSA #12	Plumas	County	Transit	Totals
	Senior				
	Transit				
ASSETS					
Current Assets:					
Cash and investments	\$ 11,151	\$ 115,433	\$ 126,584		
Receivables:					
Accounts	2,453	-	2,453		
	Total Current Assets	13,604	115,433	129,037	
Noncurrent Assets:					
Capital Assets:					
Depreciable, net	170,000	141,073	311,073		
	Total Noncurrent Assets	170,000	141,073	311,073	
	Total Assets	183,604	256,506	440,110	
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension adjustments	76,519	-	76,519		
Deferred OPEB adjustments	2	-	2		
	Total Deferred Outflows of Resources	76,521	-	76,521	
LIABILITIES					
Current Liabilities:					
Accounts payable	2,240	115,433	117,673		
Salaries and benefits payable	11,863	-	11,863		
Compensated absences	2,607	-	2,607		
	Total Current Liabilities	16,710	115,433	132,143	
Noncurrent Liabilities:					
Net pension liability	255,522	-	255,522		
Net OPEB liability	49,461	-	49,461		
	Total Noncurrent Liabilities	304,983	-	304,983	
	Total Liabilities	321,693	115,433	437,126	
DEFERRED INFLOWS OF RESOURCES					
Deferred pension adjustments	8,582	-	8,582		
Deferred OPEB adjustments	493	-	493		
	Total Deferred Inflows of Resources	9,075	-	9,075	
NET POSITION					
Investment in capital assets	170,000	141,073	311,073		
Unrestricted	(240,643)	-	(240,643)		
	Total Net Position (Deficit)	\$ (70,643)	\$ 141,073	\$ 70,430	

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2018

	Senior Transit	Plumas County Transit	CSA #12 Plumas County Transit	Totals
OPERATING REVENUES				
Passenger fares	\$ 57,554	\$ -	\$ 57,554	\$ 57,554
Total Operating Revenues	<u>57,554</u>	<u>-</u>	<u>57,554</u>	<u>57,554</u>
OPERATING EXPENSES				
Salaries and benefits	250,332	-	250,332	250,332
Services and supplies	75,761	615,228	690,989	690,989
Depreciation	18,000	44,908	62,908	62,908
Total Operating Expenses	<u>344,093</u>	<u>660,136</u>	<u>1,004,229</u>	<u>1,004,229</u>
Operating Income (Loss)	<u>(286,539)</u>	<u>(660,136)</u>	<u>(946,675)</u>	<u>(946,675)</u>
NON-OPERATING REVENUE (EXPENSES)				
Local transportation funds	218,993	-	218,993	218,993
Intergovernmental revenues	218,000	615,227	833,227	833,227
Total Non-Operating Revenues (Expenses)	<u>436,993</u>	<u>615,227</u>	<u>1,052,220</u>	<u>1,052,220</u>
Income (Loss) Before Transfers	<u>150,454</u>	<u>(44,909)</u>	<u>105,545</u>	<u>105,545</u>
Transfers in	28,946	-	28,946	28,946
Change in Net Position	<u>179,400</u>	<u>(44,909)</u>	<u>134,491</u>	<u>134,491</u>
Total Net Position (Deficit) - Beginning	<u>(204,221)</u>	<u>185,982</u>	<u>(18,239)</u>	<u>(18,239)</u>
Cumulative effect of a change in accounting principle	(45,822)	-	(45,822)	(45,822)
Total Net Position (Deficit) - Beginning, Restated	<u>(250,043)</u>	<u>185,982</u>	<u>(64,061)</u>	<u>(64,061)</u>
Total Net Position (Deficit) - Ending	<u>\$ (70,643)</u>	<u>\$ 141,073</u>	<u>\$ 70,430</u>	<u>\$ 70,430</u>

COUNTY OF PLUMAS
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2018

	Senior Transit	Plumas County Transit	CSA #12 Plumas County Transit	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 57,988	\$ -	\$ 57,988	
Payments to suppliers	(76,013)	(670,012)	(746,025)	
Payments to employees	(264,107)	-	(264,107)	
Net Cash Provided (Used) by Operating Activities	(282,132)	(670,012)	(952,144)	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Local transportation funds	218,993	-	218,993	
Intergovernmental revenues	218,000	615,227	833,227	
Transfers from other funds	28,946	-	28,946	
Net Cash Provided (Used) by Noncapital Financing Activities	465,939	615,227	1,081,166	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(188,000)	-	(188,000)	
Net Cash Provided (Used) by Capital and Related Financing Activities	(188,000)	-	(188,000)	
Net Increase (Decrease) in Cash and Cash Equivalents	(4,193)	(54,785)	(58,978)	
Balances - Beginning	15,344	170,218	185,562	
Balances - Ending	\$ 11,151	\$ 115,433	\$ 126,584	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (286,539)	\$ (660,136)	\$ (946,675)	
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	18,000	44,908	62,908	
Decrease (increase) in:				
Accounts receivable	434	-	434	
Pension adjustments - deferred outflows	(3,851)	-	(3,851)	
OPEB adjustments - deferred outflows	1	-	1	
Increase (decrease) in:				
Accounts payable	(252)	(54,784)	(55,036)	
Salaries and benefits payable	(805)	-	(805)	
Compensated absences payable	(1,110)	-	(1,110)	
Net pension liability	22,744	-	22,744	
Net OPEB liability	(27,398)	-	(27,398)	
Pension adjustments - deferred inflows	(3,274)	-	(3,274)	
OPEB adjustments - deferred inflows	(82)	-	(82)	
Net Cash Provided (Used) by Operating Activities	\$ (282,132)	\$ (670,012)	\$ (952,144)	

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Internal Service Funds

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COUNTY OF PLUMAS
Combining Statement of Net Position
Internal Service Funds
June 30, 2018

	Risk	Management	Workers'	Compensation/	Unemployment	OPEB	Totals
				Liability	Reserve		
ASSETS							
Current Assets:							
Cash and investments	\$ 154,737	\$ 363,791	\$ -	\$ 518,528			
Cash with fiscal agent	6,119,112	-	-	6,119,112			
Prepaid costs	3,177	-	-	3,177			
Total Current Assets	<u>6,277,026</u>	<u>363,791</u>	<u>-</u>	<u>6,640,817</u>			
Total Assets	<u>6,277,026</u>	<u>363,791</u>	<u>-</u>	<u>6,640,817</u>			
LIABILITIES							
Current Liabilities:							
Claims payable	5,115,832	-	-	5,115,832			
Total Liabilities	<u>5,115,832</u>	<u>-</u>	<u>-</u>	<u>5,115,832</u>			
NET POSITION							
Unrestricted	1,161,194	363,791	-	1,524,985			
Total Net Position	<u>\$ 1,161,194</u>	<u>\$ 363,791</u>	<u>\$ -</u>	<u>\$ 1,524,985</u>			

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

	Risk	Management	Workers'	
	Compensation/	Unemployment	OPEB	Totals
	Liability	Reserve		
OPERATING REVENUES				
Charges for services	\$ 2,100,913	\$ -	\$ -	\$ 2,100,913
Other revenues	356	149,994	518,334	668,684
Total Operating Revenues	2,101,269	149,994	518,334	2,769,597
OPERATING EXPENSES				
Services and supplies	-	-	518,334	518,334
Claims paid/liability adjustment	1,657,684	96,153	-	1,753,837
Total Operating Expenses	1,657,684	96,153	518,334	2,272,171
Operating Income (Loss)	443,585	53,841	-	497,426
NON-OPERATING REVENUE (EXPENSES)				
Interest income	2,503	3,330	-	5,833
Total Non-Operating Revenue (Expenses)	2,503	3,330	-	5,833
Change in Net Position	446,088	57,171	-	503,259
Total Net Position - Beginning	715,106	306,620	-	1,021,726
Total Net Position - Ending	\$ 1,161,194	\$ 363,791	\$ -	\$ 1,524,985

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

	Risk				
	Management				
	Workers'				
	Compensation/	Unemployment			
	Liability	Reserve	OPEB		Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 2,101,269	\$ 149,994	\$ 518,334	\$ 2,769,597	
Payments to suppliers	(2,401,159)	(96,153)	(518,334)	(3,015,646)	
Net Cash Provided (Used) by Operating Activities	(299,890)	53,841	-	(246,049)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	2,503	3,330	-	5,833	
Net Cash Provided (Used) by Investing Activities	2,503	3,330	-	5,833	
Net Increase (Decrease) in Cash and Cash Equivalents	(297,387)	57,171	-	(240,216)	
Balances - Beginning	6,571,236	306,620	-	6,877,856	
Balances - Ending	\$ 6,273,849	\$ 363,791	-	\$ 6,637,640	
ADJUSTMENT TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 443,585	\$ 53,841	\$ -	\$ 497,426	
Adjustments to reconcile operating income to net cash provided by operating activities:					
Decrease (increase) in:					
Prepaid costs	160	-	-	160	
Increase (decrease) in:					
Claims payable	(743,635)	-	-	(743,635)	
Net Cash Provided (Used) by Operating Activities	\$ (299,890)	\$ 53,841	-	\$ (246,049)	

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Fiduciary Funds

- **Trust and Agency Funds**

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COUNTY OF PLUMAS
Combining Statement of Net Position
Investment Trust Funds
June 30, 2018

	Special Districts	School Districts	School Districts Debt Service	Trial Court	Total Investment Trust Funds
ASSETS	Governed by Local Boards	School Districts	Debt Service	Trial Court	Total Investment Trust Funds
Cash and investments	\$ 9,700,658	\$ 36,860,825	\$ 1,307,148	\$ 2,366	\$ 47,870,997
Total Assets	9,700,658	36,860,825	1,307,148	2,366	47,870,997
LIABILITIES					
Accounts payable	-	-	-	-	-
Total Liabilities	-	-	-	-	-
NET POSITION					
Held in trust for investment pool participants	9,700,658	36,860,825	1,307,148	2,366	47,870,997
Total Net Position	\$ 9,700,658	\$ 36,860,825	\$ 1,307,148	\$ 2,366	\$ 47,870,997

COUNTY OF PLUMAS
Combining Statement of Changes in Net Position
Investment Trust Funds
For the Year Ending June 30, 2018

	Special Districts		School Districts		Total Investment Trust Funds
	Governed by Local Boards		Debt Service		
ADDITIONS					
Contributions to investment pool	\$ 995,033	\$ 8,880,168	\$ 120,679	\$ -	\$ 9,995,880
Total Additions	995,033	8,880,168	120,679	-	9,995,880
DEDUCTIONS					
Distributions from investment pool	1,100,855	6,916,006	-	830	8,017,691
Total Deductions	1,100,855	6,916,006	-	830	8,017,691
Total Change in Net Position	(105,822)	1,964,162	120,679	(830)	1,978,189
Net Position - Beginning	9,806,480	34,896,663	1,186,469	3,196	45,892,808
Net Position - Ending	\$ 9,700,658	\$ 36,860,825	\$ 1,307,148	\$ 2,366	\$ 47,870,997

COUNTY OF PLUMAS
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2018

	Accrued Trust	County Departmental Agency	Total Agency Funds
ASSETS			
Cash and investments	\$ 285,605	\$ 1,428,060	\$ 1,713,665
Taxes receivable	-	1,822,781	1,822,781
Total Assets	<u>285,605</u>	<u>3,250,841</u>	<u>3,536,446</u>
LIABILITIES			
Agency funds held for others	\$ 285,605	\$ 3,250,841	\$ 3,536,446
Total Liabilities	<u>285,605</u>	<u>3,250,841</u>	<u>3,536,446</u>

COUNTY OF PLUMAS
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
ACCRUED TRUST FUNDS				
ASSETS				
Cash and investments	\$ 438,609	\$ -	\$ 153,004	\$ 285,605
Total Assets	<u>\$ 438,609</u>	<u>\$ -</u>	<u>\$ 153,004</u>	<u>\$ 285,605</u>
LIABILITIES				
Agency funds held for others	\$ 438,609	\$ -	\$ 153,004	\$ 285,605
Total Liabilities	<u>\$ 438,609</u>	<u>\$ -</u>	<u>\$ 153,004</u>	<u>\$ 285,605</u>
COUNTY DEPARTMENTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 1,671,655	\$ 165,481	\$ 409,076	\$ 1,428,060
Taxes receivable	2,058,753	1,822,781	2,058,753	1,822,781
Total Assets	<u>\$ 3,730,408</u>	<u>\$ 1,988,262</u>	<u>\$ 2,467,829</u>	<u>\$ 3,250,841</u>
LIABILITIES				
Agency funds held for others	\$ 3,730,408	\$ 1,988,262	\$ 2,467,829	\$ 3,250,841
Total Liabilities	<u>\$ 3,730,408</u>	<u>\$ 1,988,262</u>	<u>\$ 2,467,829</u>	<u>\$ 3,250,841</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 2,110,264	\$ 165,481	\$ 562,080	\$ 1,713,665
Taxes receivable	2,058,753	1,822,781	2,058,753	1,822,781
Total Assets	<u>\$ 4,169,017</u>	<u>\$ 1,988,262</u>	<u>\$ 2,620,833</u>	<u>\$ 3,536,446</u>
LIABILITIES				
Agency funds held for others	\$ 4,169,017	\$ 1,988,262	\$ 2,620,833	\$ 3,536,446
Total Liabilities	<u>\$ 4,169,017</u>	<u>\$ 1,988,262</u>	<u>\$ 2,620,833</u>	<u>\$ 3,536,446</u>