

**COUNTY OF HUMBOLDT  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**



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**COUNTY OF HUMBOLDT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2020**

**INTRODUCTORY SECTION**

Directory of Public Officials	i
-------------------------------	---

**FINANCIAL SECTION**

Independent Auditors' Report	1
------------------------------	---

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position	4
---------------------------	---

Statement of Activities	5
-------------------------	---

Fund Financial Statements

Governmental Funds

Balance Sheet	7
---------------	---

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities	8
--	---

Statement of Revenues, Expenditures, and Changes in Fund Balances	9
---	---

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities	10
--	----

Proprietary Funds

Statement of Net Position	11
---------------------------	----

Statement of Revenues, Expenses, and Changes in Net Position	12
--	----

Statement of Cash Flows	13
-------------------------	----

Fiduciary Funds

Statement of Net Position	15
---------------------------	----

Statement of Changes in Net Position	16
--------------------------------------	----

Notes to Basic Financial Statements	17
-------------------------------------	----

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Changes in the Net Pension Liability and Related Ratios	51
---	----

Schedule of Pension Plan Contributions	53
--	----

Schedule of Changes to Net OPEB Liability and Related Ratios	54
--	----

Budgetary Comparison Schedule

General Fund	55
--------------	----

Road Fund	57
-----------	----

Note to Required Supplementary Information	58
--	----

**COUNTY OF HUMBOLDT  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND  
SCHEDULES**

Nonmajor Governmental Funds

Combining Balance Sheet 59

Combining Statement of Revenues, Expenditures, and Changes in Fund  
Balances 61

Internal Service Funds

Combining Statement of Net Position 63

Combining Statement of Revenues, Expenses, and Changes in Net Position 65

Combining Statement of Cash Flows 67

Insurance Funds

Combining Statement of Net Position 71

Combining Statement of Revenues, Expenses, and Changes in Net Position 74

Combining Statement of Cash Flows 77

## **INTRODUCTORY SECTION**

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**COUNTY OF HUMBOLDT  
DIRECTORY OF PUBLIC OFFICIALS  
JUNE 30, 2020**

**BOARD OF SUPERVISORS  
(as of June 30, 2020)**

<u>Name</u>	<u>Office</u>
Rex Bohn	Supervisor, District 1
Estelle Fennell	Supervisor, District 2
Mike Wilson	Supervisor, District 3
Virginia Bass	Supervisor, District 4
Steve Madrone	Supervisor, District 5

**FINANCE ADMINISTRATORS**

<u>Name</u>	<u>Office</u>
Amy Nilsen	County Administrative Officer
Karen Paz Dominguez	Auditor/Controller
John Bartholomew	Treasurer/Tax Collector

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Honorable Board of Supervisors  
County of Humboldt  
Eureka, 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 Humboldt, California (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

### Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
Discretely Presented Component Unit	Adverse
General Fund	Unmodified
Headwaters Mitigation Fund	Unmodified
Road Fund	Unmodified
Aviation Fund	Unmodified
Aggregate Remaining Fund Information	Qualified

***Basis for Adverse Opinion on Discretely Presented Component Unit***

Management has not included the Fortuna Fire Protection District in the County's financial statements. Accounting principles generally accepted in the United States of America require the Fortuna Fire Protection District to be presented as a discretely presented component unit. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses of the omitted discretely presented component unit has not been determined.

***Basis for Qualified Opinions on Governmental Activities and Aggregate Remaining Fund Information***

Management has not updated its liability for compensated absences in the governmental activities and, accordingly, has not recorded expenses for the current period change in that liability. The amount by which this departure would affect the liabilities, net position and expenses of the governmental activities of the County has not been determined.

In addition, management has not been able to provide an accurate listing of outstanding checks issued prior to the beginning of the year for the investment trust fund. The amount by which this departure would affect the assets and net position of the investment trust fund has not been determined.

***Adverse Opinion***

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit as of June 30, 2020, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Qualified Opinions***

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinions on Governmental Activities and Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions***

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

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the schedule of changes in the net pension liability and related ratios and schedule of contributions, schedule of funding changes in net OPEB liability and related ratios, and budgetary comparison information, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

*Other Information*

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

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules 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 August 9, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California  
August 9, 2022

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**BASIC FINANCIAL STATEMENTS –  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 92,622,077	\$ 400	\$ 92,622,477
Restricted Cash and Investments			
Cash with Fiscal Agent	6,128,827	-	6,128,827
Receivables, Net	52,704,834	32,042	52,736,876
Inventory	-	102,978	102,978
Deposits and Other Assets	704,346	-	704,346
Loan Receivable	26,431,001	-	26,431,001
Internal Balances	28,558	(28,558)	-
Capital Assets:			
Nondepreciable	47,156,654	12,143,747	59,300,401
Depreciable, Net	260,403,298	22,839,214	283,242,512
Total Assets	<u>486,179,595</u>	<u>35,089,823</u>	<u>521,269,418</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension	46,616,272	212,802	46,829,074
Deferred OPEB	3,945,497	-	3,945,497
Total Deferred Outflows of Resources	<u>50,561,769</u>	<u>212,802</u>	<u>50,774,571</u>
<b>LIABILITIES</b>			
Accounts Payable	12,221,743	204,276	12,426,019
Accrued Salaries and Benefits	8,544,093	49,048	8,593,141
Interest Payable	34,758	-	34,758
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
Certificates of Participation	1,410,000	-	1,410,000
Capital Leases	429,618	-	429,618
Compensated Absences	11,369,980	48,038	11,418,018
Claims Liability	1,698,323	-	1,698,323
Portion Due or Payable After One Year:			
Certificates of Participation	6,510,000	-	6,510,000
Capital Leases	1,044,847	-	1,044,847
Compensated Absences	3,779,950	62,890	3,842,840
OPEB Liability - Current	1,499,226	-	1,499,226
OPEB Liability - Noncurrent	38,484,598	-	38,484,598
Net Pension Liability	295,132,050	1,397,762	296,529,812
Total Liabilities	<u>382,159,186</u>	<u>1,762,014</u>	<u>383,921,200</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension	6,432,378	28,887	6,461,265
Deferred OPEB	7,863,078	-	7,863,078
Total Deferred Inflows of Resources	<u>14,295,456</u>	<u>28,887</u>	<u>14,324,343</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	297,353,185	34,982,961	332,336,146
Restricted for:			
Economic Development	37,417,107	-	37,417,107
Debt Service and Capital Projects	1,475,259	-	1,475,259
Other Grants and Special Taxes	90,506,819	-	90,506,819
Unrestricted	(286,465,648)	(1,471,237)	(287,936,885)
Total Net Position	<u>\$ 140,286,722</u>	<u>\$ 33,511,724</u>	<u>\$ 173,798,446</u>

See accompanying Notes to Basic Financial Statements.

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**COUNTY OF HUMBOLDT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities:				
General Government	\$ 22,606,068	\$ 7,653,257	\$ 7,432,692	\$ -
Public Protection	110,855,696	10,458,526	58,371,935	1,581,247
Public Ways and Facilities	43,114,719	1,025,878	17,705,290	1,154,216
Health and Sanitation	84,453,673	23,649,461	39,523,265	-
Public Assistance	129,516,588	1,363,372	101,062,056	-
Education	4,718,658	56,242	206,103	-
Recreation and Culture	1,274,526	381,928	123,916	209,266
Debt Service				
Interest	332,616	-	-	-
Total Governmental Activities	396,872,544	44,588,664	224,425,257	2,944,729
<b>Business-Type Activities</b>				
Aviation	4,735,410	2,841,751	-	938,546
Total Business-Type Activities	4,735,410	2,841,751	-	938,546
Total Humboldt County	\$ 401,607,954	\$ 47,430,415	\$ 224,425,257	\$ 3,883,275

**General Revenues**

Taxes:

Property Taxes

Sales and Use Taxes

Transient Occupancy Tax

Property Taxes In Lieu of Motor Vehicle License Fees

Other

Unrestricted Interest and Investment Earnings

Miscellaneous

**Transfers**

Total General Revenues and Transfers

**Change in Net Position**

Net Position - Beginning of Year

**Net Position - End of Year**

See accompanying Notes to Basic Financial Statements.

Net Revenue (Expense) and  
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (7,520,119)	\$ -	\$ (7,520,119)
(40,443,988)	-	(40,443,988)
(23,229,335)	-	(23,229,335)
(21,280,947)	-	(21,280,947)
(27,091,160)	-	(27,091,160)
(4,456,313)	-	(4,456,313)
(559,416)	-	(559,416)
-	-	-
(332,616)	-	(332,616)
(124,913,894)	-	(124,913,894)
-	(955,113)	(955,113)
-	(955,113)	(955,113)
(124,913,894)	(955,113)	(125,869,007)
33,876,672	-	33,876,672
16,959,588	-	16,959,588
2,123,922	-	2,123,922
19,719,770	-	19,719,770
14,812,731	-	14,812,731
2,373,182	(2,901)	2,370,281
4,878,978	21,560	4,900,538
(717,839)	717,839	-
94,027,004	736,498	94,763,502
(30,886,890)	(218,615)	(31,105,505)
171,173,612	33,730,339	204,903,951
<u>\$ 140,286,722</u>	<u>\$ 33,511,724</u>	<u>\$ 173,798,446</u>

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**BASIC FINANCIAL STATEMENTS –  
FUND FINANCIAL STATEMENTS**

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**COUNTY OF HUMBOLDT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	General Fund	Headwaters Mitigation Fund	Road Fund	Other Governmental	Total
<b>ASSETS</b>					
Cash and Investments	\$ 56,034,067	\$ 12,376,274	\$ -	\$ 6,089,378	\$ 74,499,719
Department Cash Funds	-	-	-	865	865
Restricted Cash and Investments					
Cash with Fiscal Agent	6,128,827	-	-	-	6,128,827
Receivables, Net	51,889,146	-	705,841	107,185	52,702,172
Due from Other Funds	6,448,004	-	-	-	6,448,004
Loans Receivable	21,004,220	5,426,781	-	-	26,431,001
Prepays and Other Assets	598,277	-	471	39,558	638,306
<b>Total Assets</b>	<b>\$ 142,102,541</b>	<b>\$ 17,803,055</b>	<b>\$ 706,312</b>	<b>\$ 6,236,986</b>	<b>\$ 166,848,894</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 9,716,842	\$ -	\$ 1,065,966	\$ 333,136	\$ 11,115,944
Accrued Salaries and Benefits	7,662,228	-	376,481	261,749	8,300,458
Due to Other Funds	-	-	6,136,057	283,389	6,419,446
<b>Total Liabilities</b>	<b>17,379,070</b>	<b>-</b>	<b>7,578,504</b>	<b>878,274</b>	<b>25,835,848</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	24,297,415	-	-	-	24,297,415
<b>FUND BALANCES</b>					
Nonspendable	598,277	-	471	39,558	638,306
Restricted	81,550,234	17,803,055	-	5,783,239	105,136,528
Committed	-	-	-	-	-
Assigned	17,389,040	-	-	-	17,389,040
Unassigned	888,505	-	(6,872,663)	(464,085)	(6,448,243)
<b>Total Fund Balances</b>	<b>100,426,056</b>	<b>17,803,055</b>	<b>(6,872,192)</b>	<b>5,358,712</b>	<b>116,715,631</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 142,102,541</b>	<b>\$ 17,803,055</b>	<b>\$ 706,312</b>	<b>\$ 6,236,986</b>	<b>\$ 166,848,894</b>

See accompanying Notes to Basic Financial Statements.



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

Fund Balance - Total Governmental Funds	\$ 116,715,631
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	291,861,558
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	24,297,415
Deferred outflows of resources reported in the statement of net position.	50,561,769
Internal service funds are used by the County to charge the cost of its motor pool and copier pool to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	29,382,887
Interest payable on long-term debt does not require the use of current financial resources and, therefor, is not accrued as a liability in the governmental funds.	(34,758)
Deferred inflows of resources reported in the statement of net position.	(14,295,456)
Long-term liabilities, including capital leases, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Certificates of Participation	(7,920,000)
Capital Leases	(395,484)
Total OPEB Liability	(39,983,824)
Net pension liability	(295,132,050)
Compensated absences	(14,770,966)
Net Position of Governmental Activities	<u>\$ 140,286,722</u>

See accompanying Notes to Basic Financial Statements.

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

	General Fund	Headwaters Mitigation Fund	Road Fund	Other Governmental	Total
<b>REVENUES</b>					
Taxes	\$ 80,262,835	\$ -	\$ 3,741,130	\$ 3,488,718	\$ 87,492,683
Licenses and Permits	3,465,513	-	67,077	-	3,532,590
Fines, Forfeitures, and Penalties	4,391,908	-	-	370,151	4,762,059
Use of Money and Property	1,567,545	484,615	(24,910)	97,557	2,124,807
Aid from Other Governments	203,361,815	-	15,989,006	9,567,810	228,918,631
Charges for Services	35,691,605	5,969	649,022	114,613	36,461,209
Other Revenues	4,173,551	112,586	113,033	421,008	4,820,178
Total Revenues	<u>332,914,772</u>	<u>603,170</u>	<u>20,534,358</u>	<u>14,059,857</u>	<u>368,112,157</u>
<b>EXPENDITURES</b>					
Current:					
General Government	25,910,347	-	-	-	25,910,347
Public Protection	93,536,045	-	-	9,428,986	102,965,031
Public Ways and Facilities	2,385,513	-	28,500,790	-	30,886,303
Health and Sanitation	79,299,887	-	-	-	79,299,887
Public Assistance	123,623,086	-	-	-	123,623,086
Education	205,937	-	-	3,896,834	4,102,771
Recreation and Culture	1,610,759	33,524	-	-	1,644,283
Debt Service:					
Principal	-	-	-	1,365,000	1,365,000
Interest and Other Charges	-	-	-	282,291	282,291
Total Expenditures	<u>326,571,574</u>	<u>33,524</u>	<u>28,500,790</u>	<u>14,973,111</u>	<u>370,078,999</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	6,343,198	569,646	(7,966,432)	(913,254)	(1,966,842)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital Leases	-	-	188,725	-	188,725
Transfers In	3,544,049	2,000,000	759,983	2,460,534	8,764,566
Transfers Out	(9,047,483)	(2,337,476)	(21,355)	(283,338)	(11,689,652)
Total Other Financing Sources (Uses)	<u>(5,503,434)</u>	<u>(337,476)</u>	<u>927,353</u>	<u>2,177,196</u>	<u>(2,736,361)</u>
<b>NET CHANGES IN FUND BALANCES</b>	839,764	232,170	(7,039,079)	1,263,942	(4,703,203)
Fund Balances - Beginning of Year	<u>99,586,292</u>	<u>17,570,885</u>	<u>166,887</u>	<u>4,094,770</u>	<u>121,418,834</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 100,426,056</u>	<u>\$ 17,803,055</u>	<u>\$ (6,872,192)</u>	<u>\$ 5,358,712</u>	<u>\$ 116,715,631</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF**  
**ACTIVITIES – GOVERNMENTAL ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**

Net Change to Fund Balance - Total Governmental Funds \$ (4,703,203)

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

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

Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments	\$ 14,783,653	
Less: Current Year Depreciation	<u>(17,823,704)</u>	(3,040,051)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (1,715,839)

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

Principal Payments on Certificates of Participation and Capital Leases		1,158,241
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Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. (188,725)

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

Change in Accrued Interest on Debt	6,029	
Change in Total OPEB Liability and Deferred Inflows/Outflows	(2,106,306)	
Changes in Net Pension Liability and Deferred Inflows/Outflows	(21,900,072)	
Change in Compensated Absences	<u>-</u>	(24,000,349)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities. 1,603,036

Change in Net Position of Governmental Activities \$ (30,886,890)

See accompanying Notes to Basic Financial Statements.

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

	Business -Type Activities - Enterprise Fund	Governmental Activities Internal Service Funds
<b>ASSETS</b>	Aviation	Funds
Current Assets:		
Cash and Investments	\$ -	\$ 18,121,493
Departmental Cash Funds	400	-
Accounts Receivable	32,042	2,662
Due from Other Funds	-	-
Inventory	102,978	-
Prepaid Expenses	-	66,040
Total Current Assets	135,420	18,190,195
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	12,143,747	3,950,290
Depreciable, Net	22,839,214	11,748,104
Total Noncurrent Assets	34,982,961	15,698,394
Total Assets	35,118,381	33,888,589
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension	212,802	-
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	204,276	1,105,799
Accrued Salaries and Benefits	49,048	243,635
Due to Other Funds	28,558	-
Capital Leases	-	304,179
Compensated Absences	48,038	257,624
Provision for Estimated Claims	-	1,698,323
Total Current Liabilities	329,920	3,609,560
Noncurrent Liabilities:		
Advances from Other Funds	-	-
Capital Leases	-	774,802
Compensated Absences	62,890	121,340
Net Pension Liability	1,397,762	-
Total Noncurrent Liabilities	1,460,652	896,142
Total Liabilities	1,790,572	4,505,702
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension	28,887	-
<b>NET POSITION</b>		
Net Investment in Capital Assets	34,982,961	14,619,413
Unrestricted	(1,471,237)	14,763,474
Total Net Position	\$ 33,511,724	\$ 29,382,887

See accompanying Notes to Basic Financial Statements.

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

	Business -Type Activities - Enterprise Fund	Governmental Activities
	Aviation	Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 2,841,751	\$ 44,194,270
Other Revenue	21,560	1,124,979
Total Operating Revenues	<u>2,863,311</u>	<u>45,319,249</u>
<b>OPERATING EXPENSES</b>		
Salaries and Benefits	1,320,630	5,074,469
Services and Supplies	1,614,232	36,105,438
Claims Expense	-	1,302,084
Depreciation	1,800,548	1,698,617
Total Operating Expenses	<u>4,735,410</u>	<u>44,180,608</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,872,099)</u>	<u>1,138,641</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>		
Interest Income	(2,901)	248,375
Interest Expense	-	(56,354)
Contributions of Capital Assets	-	(1,993,673)
Sale of Capital Assets	-	58,800
Total Nonoperating Revenue (Expenses)	<u>(2,901)</u>	<u>(1,742,852)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(1,875,000)	(604,211)
Capital Contributions	938,546	-
Transfers In	795,113	2,221,791
Transfers Out	(77,274)	(14,544)
Total Contributions and Transfers	<u>1,656,385</u>	<u>2,207,247</u>
<b>CHANGE IN NET POSITION</b>	(218,615)	1,603,036
Net Position - Beginning of Year	<u>33,730,339</u>	<u>27,779,851</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 33,511,724</u>	<u>\$ 29,382,887</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2020**

	<u>Business-Type Activities - Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Aviation</u>	<u>Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Receipts from Customers and Other Funds	\$ 4,455,643	\$ -
Cash Receipts from Internal Fund Services Provided	-	45,336,052
Cash Paid to Suppliers for Goods and Services	(2,144,016)	(38,174,109)
Cash Paid to Employees for Services	(1,115,036)	(5,020,748)
Net Cash Provided by Operating Activities	<u>1,196,591</u>	<u>2,141,195</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers from other Funds	795,113	2,221,791
Transfers to other Funds	(640,378)	(1,110,986)
Net Cash Provided by Noncapital Financing Activities	<u>154,735</u>	<u>1,110,805</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Grants	938,546	-
Proceeds from Sale of Capital Assets	-	199,538
Purchase of Capital Assets	(2,286,911)	(6,260,959)
Principal Paid on Capital Debt	-	(291,492)
Interest Paid on Capital Debt	-	(56,354)
Net Cash Used by Capital and Related Financing Activities	<u>(1,348,365)</u>	<u>(6,409,267)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received/Paid	(2,901)	248,375
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	60	(2,908,892)
Cash and Cash Equivalents - Beginning of Year	<u>340</u>	<u>21,030,385</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 400</u>	<u>\$ 18,121,493</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF FUND NET POSITION</b>		
Cash and Investments	\$ -	\$ 18,121,493
Department Cash Funds	400	-
Total Cash and Cash Equivalents	<u>\$ 400</u>	<u>\$ 18,121,493</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2020**

	Business-Type Activities - Enterprise Fund	Governmental Activities
	Aviation	Internal Service Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (1,872,099)	\$ 1,138,641
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,800,548	1,698,617
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Receivables	1,592,332	16,803
Prepays	1,500	(3,136)
Increase (Decrease) in:		
Accounts Payable	(531,284)	(374,187)
Accrued Salaries and Benefits	10,488	53,721
Claims Payable	-	(389,264)
Net Pension Liability	195,106	-
Net Cash Provided (Used) by Operating Activities	\$ 1,196,591	\$ 2,141,195
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Transfer of Capital Assets to Governmental Activities	\$ -	\$ (1,993,673)

See accompanying Notes to Basic Financial Statements.

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

	Investment Trust Fund	Agency Funds
<b>ASSETS</b>		
Pooled Cash and Investments	\$ 190,942,250	\$ 49,675,803
Taxes Receivable	-	15,965,460
Due from Other Funds	-	-
Total Assets	190,942,250	65,641,263
<b>LIABILITIES</b>		
Agency Funds Held for Others	-	65,641,263
Total Liabilities	-	65,641,263
<b>NET POSITION</b>		
Net Position Held in Trust for Investment Pool		
Participants	190,942,250	-
Total Net Position	\$ 190,942,250	\$ -

See accompanying Notes to Basic Financial Statements.



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

	Investment Trust Fund
<b>ADDITIONS</b>	
Contributions to Pooled Investments	\$ 422,043,568
Investment Income	3,444,100
Total Additions	425,487,668
<b>DEDUCTIONS</b>	
Distributions from Pooled Investments	438,655,896
<b>CHANGE IN NET POSITION</b>	(13,168,228)
Net Position - Beginning of Year	204,110,478
<b>NET POSITION - END OF YEAR</b>	\$ 190,942,250

See accompanying Notes to Basic Financial Statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Reporting Entity**

The County of Humboldt (the County) is a political subdivision created by the state of California. As such, it can exercise the powers specified by the Constitution and statutes of the state. The County is governed by a five member elected Board of Supervisors. The accompanying financial statements present the County's primary government but omits the component unit, Fortuna Fire Protection District over which the County exercises significant influence, and which should be presented as a discretely presented component unit. Significant influence or accountability is based primarily on operational or financial relationships with the County (as distinct from legal relationships). Blended component units, although legally separate entities, are, in substance, part of the County's operations.

The reporting entity excludes certain separate legal entities which may have "Humboldt" in their title, or which are required to keep their funds in the County Treasury or receive their tax apportionment from the County. Some examples are school districts, the community college district, cities, various redevelopment agencies established by local city governments, and a variety of special purpose districts for cemeteries, recreation, and parks. These entities are autonomous organizations with their own governmental powers and constituencies and over which the Board of Supervisors has no oversight responsibility. Accordingly, they are not included in the accompanying combined financial statements, except as to their assets held by the County (principally cash and investments held by the County Treasurer) as discussed under "fiduciary funds".

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

Fortuna Fire Protection District

The Fortuna Fire Protection District (District) was established in 1904 to provides fire protection and other emergency services. The District is governed by a five member Board of Commissioners. The District is required to be reported as a component unit because the County's Board of Supervisors appoints all five members of the District's governing body and can remove members at will. The District should be discretely presented because the board is not substantially the same as the County's. Separately issued financial statements are available for the District by contacting the following office: Fortuna Fire Hall Department Headquarters, 320 South Fortuna Blvd., Fortuna, CA 95540. The District is currently not included in the County's government-wide financial statements because the financial statements for the year ended June 30, 2020 were not available at the time of our audit.

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

Blended Component Units

The Public Facilities Corporation (the Corporation) is a nonprofit, public benefit corporation incorporated under the laws of the state of California and recorded by the Secretary of State on December 11, 1985. The Corporation's Board of Directors are appointed by the County's Board of Supervisors. The Corporation has no employees. The County's Auditor-Controller functions as an agent of the Corporation. He does not receive additional compensation for work performed in this capacity.

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

The County has assumed "moral obligation", and potentially a legal obligation, for any debt incurred by the Corporation. The Corporation was formed to provide financing assistance to the County for construction and acquisition of major capital facilities. Upon completion, the County intends to occupy all Corporation facilities. The Corporation has assigned certain rights under the lease agreement to Bank of New York, Union Bank of California, and First Interstate Bank of Trustees. The Corporation has deposited with the Trustee the proceeds from the sales of Certificates of Participation which were used to finance various projects. The bond retirement costs have been factored into the County's lease payment amounts. The Corporation's financial activity is presented in the financial statements as the Debt Service Fund. Certificates of Participation issued by the Corporation are included in the statement of net position – Governmental Activities column.

Capital assets acquired or constructed by the Corporation are included in the statement of net position – Governmental Activities column.

The County has 13 special districts referred to as Special Districts under the Board of Supervisors. Each is established for the purpose of providing specific services in a defined geographic area. Their board members are the same as the County Board of Supervisors. These agencies are reported in the Special Districts under the Board of Supervisors special revenue fund. These districts are as follows: Loleta Fire Protection District, Whitethorn Fire Protection District, Garberville Lighting District, Hydenville Lighting District, Loleta Lighting District, Rohnerville Lighting District, Weott Maintenance and Lighting District, Redcrest Lighting District, Myers Flat Lighting District, Pacific Manor Street Maintenance and Lighting District, Humboldt County Flood Control District – Subzone 1-1, and Janes Creek Drainage District.

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

**B. Basis of Presentation**

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (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. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted resources are available for use, GASB Statement No. 54 requires that restricted resources are used first, followed by unrestricted resources.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

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 sanitation, public assistance, education and recreation services.
- The *Headwaters Mitigation Fund* is used to reimburse the County for the loss of property and timber tax revenues subsequent to the Headwaters Forest purchase by

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

state and federal agencies. The Fund is also used to provide seed money for local economic development projects.

- The *Road Fund* provides for planning, design, construction, maintenance, and administration of County transportation planning activities.

The County reports the following major enterprise funds:

- The *Aviation Fund* is used to fund general Airport operations, office and administrative expenses and the maintenance of Airport facilities, including the replacement of exterior lighting fixtures, runway, taxiway and ramp lighting, heating and air conditioning service. Major revenue sources include fuel flow fees, rents, land leases, airport royalties, and interest earnings.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance and other services provide to other departments or other governments, and self-insurance programs – worker's compensation, dental, medical, unemployment, and general liability on a cost-reimbursement basis.
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Agency Funds* account for assets held by the County as an agent for various local governments.

**C. Basis of Accounting**

The government-wide, proprietary and fiduciary 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 taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place.

Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs

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

within 60 days after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

The Governmental Accounting Standards Board (GASB) periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America for governmental units.

**D. Cash and Cash Equivalents**

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

**E. Restricted Cash and Investments**

The County reports restricted cash and investments as cash with fiscal agent in the General Fund. Amounts are held with Public Agency Retirement Services (PARS) and are restricted for future pension benefits.

**F. Property Tax**

The County is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County based on the assessed value as of the preceding January 1. January 1 is also the lien date. Tax rates are set no later than the first workday in September. Property taxes on the secured roll are due in two installments: November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales and construction and the next normal assessment date. The additional supplemental property taxes are prorated from the first of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent, if unpaid, on August 31.

On September 21, 1993, the County adopted the Teeter Plan. The Teeter Plan provides for a tax distribution procedure in which secured roll taxes, excluding assessments and debt repayment levies, are distributed to participating County taxing agencies on the basis of the tax levy, rather than on the basis of actual tax collections. The County then receives all future delinquent tax payments, penalties and interest, and a complex tax redemption distribution system for all taxing agencies is avoided.



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

In connection with its adoption of the Teeter Plan, the County advanced to the participating taxing agencies an amount equal to 95% of the total years' delinquent secured property taxes, penalties and interest (not including assessments and debt replacement levies) outstanding at June 30, 1993.

Once adopted by the County, the Teeter Plan remains in effect unless the County orders its discontinuance or prior to the commencement of any subsequent fiscal year the County receives a petition for its discontinuance adopted by resolution of two-thirds of the participating revenue districts in the County. Further, the County may, by resolution adopted not later than July 15 of any subsequent fiscal year after a public hearing, discontinue the Teeter Plan as to any tax levying or assessment levying agency if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency.

By resolution the County has covenanted that, except for the purpose of securing borrowings, the proceeds of which would be deposited to the General Fund, the County will take no action to sell, assign, or otherwise encumber the future delinquent tax payments, penalties, and interest receivable by the County under the Teeter Plan.

The County is required to create a tax loss reserve fund (an agency fund) under one or two alternative methods: (1) 1% of the total amount of taxes and assessments levied on the secured roll for the year or (2) 25% of the total delinquent secured taxes for participating entities in the County as calculated at the end of the fiscal year. The County opted to use method (1) which required a tax loss reserve of at least 1% of total taxes and assessments levied on the secured roll.

**G. Loans Receivable**

The County has loans to low-income homeowners for residential housing improvements and to developers for the construction of low-income qualified rental property. The loans are made through the Community Development Block Grant Program, the CalHOME Program, and the HOME Program. The notes have interest rates from 0% to 6%. The terms of the notes range from 5 to 55 years. The notes are due upon sale of the property or maturity date. The notes are secured by real estate.

The County also makes business venture loans through the Headwaters Revolving Loan Fund. Such loans are generally secured by inventory, receivables and cash; as well as the personal assets of the business owners. The loan terms are from 3 to 10 years with interest rates from 5.5% to 10%. The County believes that substantially all loan principal is collectible.

**H. Inventories and Prepaids**

Inventories are stated at cost (first-in, first-out basis) for governmental funds and lower of average cost or market for 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. Reported inventories of governmental funds are equally offset by a corresponding nonspendable portion of fund balance to indicate that portion of fund balance not available for future appropriation.

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

Inventory recorded in the proprietary funds mainly consists of maintenance supplies. Inventory is expensed as the supplies are consumed.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**I. Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds. Depreciation begins when the asset is placed in service and ends in the fiscal year that it is retired from service or is fully depreciated.

The estimated useful lives are as follows:

	<u>Estimated Lives</u>
Infrastructure (Except for the Maintained Pavement Subsystem)	20 to 50 Years
Structures and Improvements	20 to 50 Years
Equipment	3 to 15 Years

Motor pool vehicles are depreciated using historical cost as required by accounting principles generally accepted in the United States of America.

The County has several networks of infrastructure assets – roads, lighting, drainage, and flood control. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, lighting, drainage, and flood control. These infrastructure assets are likely to be the largest asset class of the County. Their historical cost and related depreciation has been reported in the financial statements.

**J. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows or 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, pension and OPEB, which qualify for reporting in this category.

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two types of items which qualify for reporting in this category: pensions and OPEB. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: intergovernmental revenue and charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**K. Compensated Absences**

County employees are granted vacation, holiday, comp time, and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation, holiday and comp time at 100%. Employees are reimbursed for accumulated sick leave based on years of service and date of hire.

The County accrues accumulated unpaid compensated absences when earned (or estimated to be earned) by the employee. The liability for governmental funds is reflected in the government-wide statement of net position. In the proprietary funds, accumulated compensated absences is recorded as an expense and liability as the benefits accrue to employees. The County did not record any change in the compensated absences liability for the current fiscal year.

**L. Pensions**

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

**M. Interfund Transactions**

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

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

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

**N. Net Position/Fund Balance**

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position components are categorized as net investment in capital assets, restricted, and unrestricted.

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the County, not invested in capital assets or restricted for any project or other purpose.

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2020, fund balances for governmental funds consist of the following categories:

- Nonspendable Fund Balance – This category includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).
- Restricted Fund Balance – This category includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.
- Committed Fund Balance – This category includes amounts that can be used only for the specific purpose determined by the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.
- Assigned Fund Balance – This category is comprised of amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year's budget.

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

- Unassigned Fund Balance – This category is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purposes.

The Board of Supervisors establishes, modifies, or rescinds fund balance commitments and assignments by passage of a resolution or an ordinance. This can be done through the adoption of the budget and subsequent budget amendments that occur throughout the year.

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

Fund Balance Policy

The County has developed a fund balance policy to assist financial statement users in understanding the existing commitments and constraints that apply to fund balances of governments. Committed, assigned, and unassigned fund balances are considered unrestricted. Additional detailed information, along with the complete *Fund Balance Policy*, can be obtained from the County Auditor-Controller's office.

**O. 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.

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

**NOTE 2 CASH AND INVESTMENTS**

At June 30, 2020, total County cash and investments were as follows:

Cash:	
Cash on Hand and Imprest Cash	\$ 27,145
Deposits	3,601,709
Total Cash and Deposits	<u>3,628,854</u>
Investments:	
In Treasurer's Pool	341,406,640
With Fiscal Agent	6,128,827
Total Investments	<u>347,535,467</u>
In Transit:	
Outstanding Checks	(11,485,483)
Other Adjustments	(309,481)
Total in Transit	<u>(11,794,964)</u>
Total	<u><u>\$ 339,369,357</u></u>

Cash and investments were reported in the basic financial statements as follows:

Primary Government:	
Governmental Activities	\$ 98,750,904
Business-Type Activities	400
Investment Trust Fund	190,942,250
Agency Funds	49,675,803
Total	<u><u>\$ 339,369,357</u></u>

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

**Investments**

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury and Agency Securities	5 Years	100%	N/A
U.S. Treas. and Ag. Sec. - Headwaters Investment Portfolio	30 Years	100%	N/A
Bonds and Notes issued by local agencies	5 Years	100%	N/A
Bonds and Notes loc. ag. - Headwaters Investment Portfolio	30 Years	100%	N/A
Registered State Warrants and Municipal Notes and Bonds	5 Years	100%	N/A
Registered St. Warrants - Headwaters Investment Portfolio	30 Years	100%	N/A
Muni. Notes and Bonds - Headwaters Investment Portfolio	30 Years	100%	N/A
Bankers' Acceptances	180 days	40%	N/A
Commercial Paper	270 days	40%	N/A
Negotiable Certificates of Deposit	5 Years	30%	N/A
Negotiable CDs - Headwaters Investment Portfolio	30 Years	30%	N/A
Repurchase Agreements	1 Year	100%	N/A
Reverse Repurchase Agreements and Securities	92 days	20%	N/A
Medium Terms Corporate Notes	5 Years	30%	N/A
Mutual Funds & Money Market Funds	N/A	20%	N/A
California Asset Management Program	N/A	None	N/A
Joint Powers Agreement	N/A	20%	N/A
Local Agency Investment Fund (LAIF)	N/A	As Limited by LAIF	N/A
Investment Trust of California (CalTRUST)	N/A	As Limited by CalTRUST	N/A
Collateralized Time Deposits	5 Years	N/A	N/A

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

	Interest Rate	Maturities	Carrying Value	WAM (Years)
Investment Pool:				
U.S. Government Agencies	1.13 - 3.38	7/15/2020 - 4/6/2026	\$ 126,704,000	1.88
Negotiable CDs	1.70 - 3.35	11/4/2020 - 9/29/2028	8,581,000	2.76
Municipal Bonds	1.89 - 2.25	6/1/2021 - 6/1/2024	10,600,000	2.87
U.S. Treasury Notes	1.13 - 2.00	8/31/2020 - 5/31/2024	34,000,000	2.35
Medium Term Corporate Notes	2.15 - 2.80	8/17/2020 - 1/26/2023	22,234,802	1.67
Supranationals	1.88	7/23/21	3,000,000	1.06
California Asset Management Program	Variable	On Demand	5,406,283	
Local Agency investment Fund	Variable	On Demand	130,880,555	
Total Investment Pool			341,406,640	
Investments Outside Investment Pool:				
Cash Held with Fiscal Agent:				
Money Market Mutual Funds	Variable	On Demand	6,128,827	
Total Investments			\$ 347,535,467	

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

The fair value of the investments is obtained by the County's safekeeping agent.

**Fair Value Measurements**

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

*Level 1* – Investments reflect prices quoted in active markets;

*Level 2* – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and

*Level 3* – Investments reflect prices based upon unobservable sources

The Pool has the following recurring fair value measurements as of June 30, 2020:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Observable Inputs (Level 3)</u>
U.S. Government Agencies	\$ 126,704,000	\$ -	\$ 126,704,000	\$ -
Negotiable CDs	8,581,000	-	8,581,000	-
Municipal Bonds	10,600,000	-	10,600,000	-
U.S. Treasury Notes	34,000,000	34,000,000	-	-
Medium Term Corporate Notes	22,234,802	-	22,234,802	-
Supranationals	3,000,000	-	3,000,000	-
Total Investments Measured at Fair Value	205,119,802	<u>\$ 34,000,000</u>	<u>\$ 171,119,802</u>	<u>\$ -</u>
Investment Measured at Amortized Cost:				
California Asset Mgmt Program	5,406,283			
Local Agency Investment Fund	130,880,555			
PARS	6,128,827			
Total Investments	<u>\$347,535,467</u>			



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

**Interest Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

	Standard & Poor's Rating	% of Portfolio
U.S. Government Agency Securities	AA+	37.10
Intl Finance Corporation	AAA	0.90
Municipal Bonds	AAA	3.10
U.S. Treasury Notes	Aaa	10.00
Medium Term Corporate Notes	AA-	6.50
Certificates of Deposit	Unrated	2.50
Local Agency Investment Fund	Unrated	38.30
California Local Agency Investment Fund	Unrated	1.60
Total		<u>100.00 %</u>

At June 30, 2020, the County had the following investments in any one issuer that represent 5% or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

	Fair Value Holdings	Percentage Holdings
Federal National Mortgage	\$ 37,000,000	10.84 %
Federal Home Loan Bank	41,100,000	12.04
Federal Farm Credit	31,504,000	9.23

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

**Custodial Credit Risk**

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

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

**Local Agency Investment Fund**

At June 30, 2020, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$130,880,555, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$100,978,752,029. The PMIA portfolio includes 2.21% invested in structured notes and medium-term asset-backed securities and 1.16% invested in short term asset-backed commercial paper.

**County Investment pool Condensed Financial Statements**

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2020:

**Statement of Net Position**

Net Position Held for Pool Participants	<u>\$ 333,210,424</u>
Equity of External Pool Participants	\$ 190,942,250
Equity of Internal Pool Participants	142,268,174
Total Net Position	<u>\$ 333,210,424</u>

**Statement of Changes in Net Position**

Net Position at July 1, 2019	\$ 369,419,838
Net Change in Investments by Pool Participants	<u>(36,209,414)</u>
Net Position at June 30, 2020	<u>\$ 333,210,424</u>

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

**NOTE 3 INTERFUND TRANSACTIONS**

The composition of interfund balances as of June 30, 2020 is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Aviation Fund	\$ 28,558
	Road Fund	6,136,057
	Nonmajor Governmental Funds	283,389
	Total	<u>\$ 6,448,004</u>

The due to/from other funds account balances consists of interfund cash transactions to eliminate cash deficits at June 30, 2020 for reporting purposes and short-term loans between funds.

**Transfers**

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

<u>Transfer from</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 3,544,049	\$ 9,047,483
Headwaters Mitigation Fund	2,000,000	2,337,476
Road Fund	759,983	21,355
Other Governmental Funds	2,460,534	283,338
Aviation	795,113	77,274
Internal Service Funds	2,221,791	14,544
	<u>\$ 11,781,470</u>	<u>\$ 11,781,470</u>

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

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2020
<b>Governmental Activities</b>					
Capital Assets, not being Depreciated:					
Land	\$ 10,697,856	\$ -	\$ -	\$ -	\$ 10,697,856
Construction in Progress	34,568,534	15,307,969	-	(13,417,705)	36,458,798
Total Capital Assets, not being Depreciated	45,266,390	15,307,969	-	(13,417,705)	47,156,654
Capital Assets, being Depreciated:					
Infrastructure	619,920,310	-	-	2,609,563	622,529,873
Structures and Improvements	105,754,182	-	-	10,808,142	116,562,324
Equipment	42,344,128	4,097,197	(2,938,263)	-	43,503,062
Total Capital Assets, being Depreciated	768,018,620	4,097,197	(2,938,263)	13,417,705	782,595,259
Less Accumulated Depreciation for:					
Infrastructure	(408,822,664)	(13,747,002)	-	-	(422,569,666)
Structures and Improvements	(68,601,967)	(2,968,604)	-	-	(71,570,571)
Equipment	(27,688,308)	(2,806,715)	2,443,299	-	(28,051,724)
Total Accumulated Depreciation	(505,112,939)	(19,522,321)	2,443,299	-	(522,191,961)
Total Capital Assets, being Depreciated, Net	262,905,681	(15,425,124)	(494,964)	13,417,705	260,403,298
Governmental Activities Capital Assets, Net	<u>\$ 308,172,071</u>	<u>\$ (117,155)</u>	<u>\$ (494,964)</u>	<u>\$ -</u>	<u>\$ 307,559,952</u>
<b>Business-Type Activities</b>					
Capital Assets, not being Depreciated:					
Land	\$ 1,976,177	\$ -	\$ -	\$ -	\$ 1,976,177
Construction in Progress	7,880,659	2,286,911	-	-	10,167,570
Total Capital Assets, not being Depreciated	9,856,836	2,286,911	-	-	12,143,747
Capital Assets, being Depreciated:					
Structures and Improvements	53,503,813	-	-	-	53,503,813
Equipment	336,918	-	-	-	336,918
Total Capital Assets, being Depreciated	53,840,731	-	-	-	53,840,731
Less accumulated depreciation for:					
Structures and Improvements	(28,935,769)	(1,782,875)	-	-	(30,718,644)
Equipment	(265,200)	(17,673)	-	-	(282,873)
Total Accumulated Depreciation	(29,200,969)	(1,800,548)	-	-	(31,001,517)
Total Capital Assets, being Depreciated, Net	24,639,762	(1,800,548)	-	-	22,839,214
Business-Type Activities Capital Assets, Net	<u>\$ 34,496,598</u>	<u>\$ 486,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,982,961</u>

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

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 1,480,366
Public Protection	1,607,729
Public Ways and Facilities	13,879,148
Health and Sanitation	234,319
Public Assistance	250,917
Education	295,883
Recreation and Culture	75,342
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Asset	1,698,617
Total Depreciation Expense - Governmental Functions	\$ 19,522,321

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

Aviation	\$ 1,800,548
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**NOTE 5 LEASE COMMITMENTS**

**Operating Leases**

The County is committed under various noncancellable operating leases, primarily for office buildings.

At June 30, 2020, the future minimum rental payments required under operating leases for buildings and equipment were as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Amount</u>
2021	\$ 5,475,229
2022	5,621,877
2023	5,772,713
2024	5,925,136
Total	\$ 22,794,955

Rent expenditures were \$5,614,285 for the year ended June 30, 2020.

**Capital Leases**

The County has entered into certain capital lease agreements under which the related equipment will become property of the County when all terms of the lease agreements are met.

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

The following is a summary of equipment leased under the capital lease agreements by the County as of June 30, 2020.

	Stated Interest Rate	Present Value of Remaining Payments as of June 30, 2020
Road Equipment	1.81 - 2.91%	\$ 1,474,465
Total		\$ 1,474,465

The cost of equipment under capital leases is as follows:

Road Equipment	\$ 2,342,977
Less: Accumulated Depreciation	(1,071,584)
Total	\$ 1,271,393

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

Year Ending June 30,	Amount
2021	\$ 484,926
2022	477,888
2023	323,457
2024	265,393
2025	37,056
Total Future Minimum Lease Payments	1,588,720
Less: Interest	(114,255)
Present Value of Minimum Lease Payments	\$ 1,474,465

**NOTE 6 LONG-TERM LIABILITIES**

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

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2020	Amounts Due Within One Year
<b>Governmental Activities</b>					
Direct Borrowings:					
Certificates of Participation	\$ 9,285,000	\$ -	\$ 1,365,000	\$ 7,920,000	\$ 1,410,000
Capital Lease Obligations	1,370,473	485,581	381,589	1,474,465	429,618
Compensated Absences	15,149,930	-	-	15,149,930	11,369,980
Liability for Unpaid Claims	2,087,587	1,302,084	1,691,348	1,698,323	1,698,323
Total Governmental Activities					
Long-Term Liabilities	\$ 27,892,990	\$ 1,787,665	\$ 3,437,937	\$ 26,242,718	\$ 14,907,921
<b>Business-Type Activities</b>					
Compensated Absences	\$ 110,928	\$ -	\$ -	\$ 110,928	\$ 48,038

The liability for unpaid claims is liquidated by the General Fund and the internal service funds. *Compensated absences* are generally liquidated by the General Fund and related special revenue funds.

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

As of June 30, 2020, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30,	Governmental Activities	
	Certificates of Participation	
	Principal	Interest
2021	\$ 1,410,000	\$ 208,544
2022	1,455,000	171,186
2023	1,505,000	132,647
2024	1,555,000	92,795
2025	770,000	51,622
2025-2027	1,225,000	39,837
Total	<u>\$ 7,920,000</u>	<u>\$ 696,631</u>

Long-term debt at June 30, 2020, consisted of the following:

	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2020
<b>Governmental Activities</b>						
Certificates of Participation:						
2012 Issue to Refund the Outstanding Principal of the County's COP 2003 Series A						
Certificates of Participation	2012	2026	2.53% - 2.80%	\$365,000 - \$670,000	\$ 9,490,000	\$ 3,930,000
2012 Issue to Refund the Outstanding Principal of the County's COP 2004 Series A						
Certificates of Participation	2012	2024	2.53% - 2.80%	\$185,000 - \$315,000	2,905,000	1,170,000
2012 Issue for Capital Projects of Earthquake and Juvenile Hall						
Certificates of Participation	2012	2027	2.53% - 2.80%	\$266,680 - \$362,500	<u>5,465,000</u>	<u>2,820,000</u>
Total Governmental Activities					<u>\$ 17,860,000</u>	<u>\$ 7,920,000</u>

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

**NOTE 7 NET POSITION/FUND BALANCES**

**Classification**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2020 is as follows:

	General Fund	Headwaters Fund	Road Fund	Other Governmental Funds	Total
<b>Nonspendable:</b>					
Prepays and Inventory	\$ 598,277	\$ -	\$ 471	\$ 39,558	\$ 638,306
Total Nonspendable	598,277	-	471	39,558	638,306
<b>Restricted for:</b>					
General Government	513,243	-	-	-	513,243
Public Projection	20,609,000	-	-	2,858,668	23,467,668
Public Ways and Facilities	5,682,739	-	-	-	5,682,739
Health and Sanitation	23,259,381	-	-	-	23,259,381
Public Assistance	5,233,601	-	-	-	5,233,601
Education	509,391	-	-	1,414,554	1,923,945
Economic Development	19,614,052	17,803,055	-	-	37,417,107
Pensions (PARS)	6,128,827	-	-	-	6,128,827
Debt Service	-	-	-	1,510,017	1,510,017
Total Restrictions	81,550,234	17,803,055	-	5,783,239	105,136,528
<b>Assigned for:</b>					
General Reserve	4,724,482	-	-	-	4,724,482
General Government	12,664,558	-	-	-	12,664,558
	17,389,040	-	-	-	17,389,040
<b>Unassigned</b>	888,505	-	(6,872,663)	(464,085)	(6,448,243)
<b>Total Fund Balance</b>	<b>\$ 100,426,056</b>	<b>\$ 17,803,055</b>	<b>\$ (6,872,192)</b>	<b>\$ 5,358,712</b>	<b>\$ 116,715,631</b>



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

**NOTE 8 PENSION PLANS**

**A. General Information about the Pension Plans**

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

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

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

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date	2.7% @ 55	2% @ 62
Benefit Formula	5 Years Service	5 Years Service
Benefit Vesting Schedule	Monthly for Life	Monthly for Life
Benefit Payments	50 - 55	52 - 67
Retirement Age	2.0% to 2.7%	1.0% to 2.5%
Monthly Benefits, as a % of Eligible Compensation	7% - 8%	7% - 8%
Required Employee Contribution Rates	22.747%	22.747% - 24.487%
Required Employer Contribution Rates		
	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date	3% @ 50	2.7% @ 57
Benefit Formula	5 Years Service	5 Years Service
Benefit Vesting Schedule	Monthly for Life	Monthly for Life
Benefit Payments	50	50 - 57
Retirement Age	3.0%	2.0% to 2.7%
Monthly Benefits, as a % of Eligible Compensation	9.00%	10.75%
Required Employee Contribution Rates	29.097%	29.097% - 33.181%
Required Employer Contribution Rates		

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

**Employees Covered** – At June 30, 2020, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	3,184	279
Inactive Employees Entitled to but not yet Receiving Benefits	2,749	199
Active Employees	1,818	308
Total	<u>7,751</u>	<u>786</u>

**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 both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**B. Net Pension Liability**

The County’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	Derived using CalPERS’ Membership Data all Funds	
Postretirement Benefit	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.75%	

(1) Depending on age, service and type of employment  
(2) Net of pension plan investment expenses, including inflation

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2007. Further details of the Experience Study can found on the CalPERS website.

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

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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 cash flows. Using 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 fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

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. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11 + (b)
Global Equity	50.0 %	4.80 %	5.98 %
Fixed Income	28.0	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Assets	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)
Total	<u>100.0 %</u>		

(a) An expected inflation of 2.0% used for this period.

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

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

The changes in the Net Pension Liability for each Plan are as follows:

	Miscellaneous Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2019	\$ 728,671,746	\$ 507,840,414	\$ 220,831,332
Changes in the Year:			
Service Cost	15,913,192	-	15,913,192
Interest on the Total Pension Liability	51,564,138	-	51,564,138
Benefit Payments, Including Refunds of Employee Contributions	(39,203,377)	(39,203,377)	-
Changes of Assumptions Differences Between Expected and Actual Experience	4,909,914	-	4,909,914
Plan to Plan Resource Movement	-	45,696	(45,696)
Contribution - Employer	-	21,899,254	(21,899,254)
Contribution - Employee	-	9,290,884	(9,290,884)
Net Investment Income	-	33,333,346	(33,333,346)
Administrative Expenses	-	(362,028)	362,028
Other Miscellaneous	-	1,175	(1,175)
Change of Allocation	(759,824)	(529,552)	(230,272)
Net Changes	<u>32,424,043</u>	<u>24,475,398</u>	<u>7,948,645</u>
Balance at June 30, 2020 (Measurement Date June 30, 2019)	<u>\$ 761,095,789</u>	<u>\$ 532,315,812</u>	<u>\$ 228,779,977</u>

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

	Safety Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2019	\$ 220,364,310	\$ 156,279,044	\$ 64,085,266
Changes in the Year:			
Service Cost	4,813,680	-	4,813,680
Interest on the Total Pension Liability	15,656,673	-	15,656,673
Changes of Assumptions	-	-	-
Differences Between Expected and Actual Experience	1,594,555	-	1,594,555
Benefit Payments, Including Refunds of Employee Contributions	(10,782,512)	(10,782,512)	-
Plan to Plan Resource Movement	-	(47,699)	47,699
Contribution - Employer	-	6,102,650	(6,102,650)
Contribution - Employee	-	2,209,040	(2,209,040)
Net Investment Income	-	10,247,510	(10,247,510)
Administrative Expenses	-	(111,524)	111,524
Other Miscellaneous	-	362	(362)
Net Changes	<u>11,282,396</u>	<u>7,617,827</u>	<u>3,664,569</u>
Balance at June 30, 2020 <i>(Measurement Date June 30, 2019)</i>	<u>\$ 231,646,706</u>	<u>\$ 163,896,871</u>	<u>\$ 67,749,835</u>

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

	1% Decrease in Discount Rate 6.15%	Discount Rate 7.15%	1% Increase in Discount Rate 8.15%
Miscellaneous	\$ 323,676,893	\$ 228,779,977	\$ 149,709,599
Safety	100,275,470	67,749,835	41,191,051

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

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

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

For the year ended June 30, 2020, the County recognized total pension expense of \$54,557,153, including \$42,175,302 and \$12,381,851 for its miscellaneous and safety plans, respectively. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 25,570,305	\$ -
Differences Between Actual and Expected Experience	8,084,919	211,649
Changes in Assumptions	1,175,295	1,930,540
Net Differences Between Projected and Actual Earnings on Plan Investments	-	2,585,888
Total	<u>\$ 34,830,519</u>	<u>\$ 4,728,077</u>

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 7,014,365	\$ -
Differences Between Actual and Expected Experience	2,418,950	699,989
Changes in Assumptions	2,565,240	303,209
Net Differences Between Projected and Actual Earnings on Plan Investments	-	729,990
Total	<u>\$ 11,998,555</u>	<u>\$ 1,733,188</u>

The County reported \$32,584,670 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>
2021	\$ 6,475,895	\$ 3,387,793
2022	(2,157,766)	(384,465)
2023	(302,323)	83,487
2024	516,331	164,187
Thereafter	-	-

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

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. Plan Description**

The County of Humboldt Retiree Health Plan is a single-employer defined healthcare plan administered by the County. The County sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the County through a flexible benefits plan, with contributions made to the plan up to a dollar amount determined by collective bargaining, including \$105.00 per month that the County designates for PEMHCA. The \$105.00 per month was increased by law to \$108.00 for 2011, and will be indexed with medical inflation (CPI) for years 2011 and thereafter. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Postretirement Coverage

The County also offers PEMHCA to its retirees. The County makes the required statutory PEMHCA contribution as described above. Prior to 2011, the County made additional contributions to a small number of retirees with special agreements, which have now been settled. The County pays a 0.36%-of-premium administrative fee to PEMHCA for each retiree.

Healthcare Premiums

The following table shows January 1, 2015 monthly PERS Health (PEMHCA) premiums for retirees within the Other Northern California region:

	Blue Shield NV HMO	PERS Select PPO	PERS Choice PPO	PERS Care PPO	PORAC
<u>Basic Plan</u>					
Retiree	\$ 753.82	\$ 646.35	\$ 725.54	\$ 656.08	\$ 675.00
Retiree + 1	1,507.64	1,292.70	1,451.08	1,312.16	1,292.00
Family	1,959.93	1,680.51	1,886.40	1,705.81	1,642.00
<u>Medicare Supplement</u>					
Retiree	\$ 352.63	\$ 339.47	\$ 368.76	\$ 339.47	\$ 402.00
Retiree + 1	705.26	678.49	737.52	678.49	802.00
Family	1,057.89	1,018.41	1,106.28	1,018.41	1,281.00

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

**B. Actuarial Assumptions**

The Net OPEB Liability was determined using an actuarial valuation as of June 30, 2019, using the following assumptions:

Actuarial Assumption	June 30, 2019 Measurement Date
Actuarial Valuation Date	June 30, 2019
Discount Rate	3.13% Unfunded, therefor the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as the valuation date.
Inflation	2.50%
Mortality Rates:	Based on CalPERS tables.
Salary Increases	2.75%. Additional merit-based on CalPERS merit salary increase tables.
Healthcare Cost Trend Rates	7.00% Pre-Medicare, trending down to 3.94% over 56 years. 6.50% Medicare, trending down to 3.94% over 56 years

**C. Employees Covered by Benefit Terms**

At June 30, 2019, the following employees were covered by the benefit terms:

Active employees	2,095
Inactive employees currently receiving benefits	<u>636</u>
Total	<u><u>2,731</u></u>



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

**D. Changes in the Total OPEB Liability**

The table below shows the changes in the total OPEB liability as of June 30, 2020.

	<u>Increase (Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at June 30, 2019 <i>(Valuation Date June 30, 2019)</i>	\$ 43,277,427
Changes recognized for the measurement period:	
Service cost	2,663,260
Interest	1,628,808
Benefit payments	(802,876)
Change of assumptions	2,752,055
Difference between expected and actual experience	(8,445,721)
Implicit rate subsidy fulfilled	<u>(1,089,129)</u>
Net changes	<u>(3,293,603)</u>
Balance at June 30, 2020 <i>(Measurement Date June 30, 2019)</i>	<u>\$ 39,983,824</u>

**E. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the County recognized OPEB expense of \$3,605,532. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in gain/loss, and actuarial assumptions or method. At June 30, 2020, the County reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>
OPEB contributions subsequent to measurement date	\$ 1,499,226	\$ -
Change of assumptions	2,446,271	326,784
Differences between expected and actual experience	<u>-</u>	<u>7,536,294</u>
Total	<u>\$ 3,945,497</u>	<u>\$ 7,863,078</u>

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

The \$1,499,226 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources or deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30	Deferred Outflows (Inflows) of Resources
2021	\$ (686,536)
2022	(686,536)
2023	(686,536)
2024	(686,536)
2025	(686,536)
Remaining	(1,984,127)

**F. 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 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 (2.13%)	Current Rate (3.13%)	1% Increase (4.13%)
Total OPEB Liability	\$45,644,162	\$ 39,983,824	\$35,326,397

**G. Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rate**

The following presents the net OPEB liability of the County, as well as what the County 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.

	Current Healthcare Cost		
	1% Decrease 6.00%	Trend Rates 7.00%	1% Increase 8.00%
Total OPEB Liability	\$38,693,627	\$ 39,983,824	\$41,510,213

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

**NOTE 10 RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and health and welfare of employees. The County has established a self-insurance fund (an internal service fund) to account for and finance these possible risks of loss. Under this program, the Self-Insurance Fund provides the following coverage per occurrence:

Property	\$	5,000
Liability		150,000
Auto Physical Damage		10,000
Dental		1,000
Unemployment		Various

The County purchases excess insurance through risk pools and commercial carriers for claims in excess of coverage provided by the fund and all other risks of loss. The County pays an annual basic premium for coverage and is assessed an annual risk premium based on an actuarial review that estimates each of the program's participant's ultimate liabilities. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the County participate in the program and make payments to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Changes in the Fund's claims liability amounts for the past fiscal years were:

	2020			
	Balance at June 30, 2019	Current Year Claims and Changes in Estimates	Claims Payments	Balance at June 30, 2020
Liability and Auto	\$ 1,873,000	\$ 188,593	\$ (582,593)	\$ 1,479,000
Dental	127,255	1,020,342	(1,020,342)	127,255
Unemployment	87,332	93,149	(88,413)	92,068
Total	\$ 2,087,587	\$ 1,302,084	\$ (1,691,348)	\$ 1,698,323
	2019			
	Balance at June 30, 2018	Current Year Claims and Changes in Estimates	Claims Payments	Balance at June 30, 2019
Liability and Auto	\$ 2,179,000	\$ 66,695	\$ (372,695)	\$ 1,873,000
Dental	127,255	1,367,131	(1,367,131)	127,255
Unemployment	69,373	281,381	(263,422)	87,332
Total	\$ 2,375,628	\$ 1,715,207	\$ (2,003,248)	\$ 2,087,587

The claims liability, including incurred but not reported claims, were based on actuarial reviews. Actuarial review of the liability program was performed by Bickmore Risk Services. Actuarial review of the unemployment program was performed by Bickmore Risk Services. An actuarial review of the dental program was last performed by Demsey, Filliger and Associates.

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

All claims are processed and administered by claims administrators as follows:

Property	Assigned by CSAC Excess Insurance Authority
Liability and Auto	County Risk Manager
Dental	Preferred Benefit Insurance Administration, Inc.
Unemployment	Tax Corporation

**NOTE 11 JOINT VENTURES**

The County participates in several joint ventures under joint powers agreement (JPAs). The relationship between the County and the JPAs is such that none of the JPAs is a component unit of the County for financial reporting purposes.

The County participated in the following JPAs at June 30, 2020:

- CSAC Excess Insurance Authority
- Humboldt Transit Authority
- North Coast Air Quality Management District
- Humboldt County Association of Government Trusts
- Redwood Cost Energy Authority
- Redwood Regional Economic Development Commission
- North Coast Emergency Medical Services
- Humboldt County Waste Management Authority

The CSAC Excess Insurance Authority is a joint powers authority organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Code. The purpose of the entity is to develop and fund programs of primary and excess insurance for workers' compensation, comprehensive liability, and other insurance coverages for member counties. The Authority is under the control and direction of a board of directors consisting of representatives of the 53 member counties.

Financial statements for the Authority are produced annually and may be obtained by writing to the CSAC Excess Insurance Authority, 3017 Gold Canal Drive, Suite 300, Rancho Cordova, California 95670.

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

**A. Grants**

The County participates in a number of federal and state grant programs subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs, including the year ended June 30, 2020, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The County believes that such disallowances, if any, would not have a material effect on the combined financial statements.

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

**B. Legal Actions**

In the opinion of County Counsel, there are potential liabilities as of June 30, 2020 which could result in monetary rewards against the County if unfavorable decisions are rendered. The County does not make provisions for potential awards.

The County was named in a lawsuit as a responsible party for the clean up and remediation of an underground storage tank and a dry cleaner that operated under the Humboldt County courthouse in years past. Estimated costs of the pollution remediation activities is \$2.5 million. Insurance proceeds of at least \$500 thousand are expected to offset a portion of these estimated costs.

**C. Construction Commitments**

The County had entered into contracts for the construction of certain projects. At June 30, 2020, there were outstanding commitments of \$6,138,238 for road, bridge and building projects.

**NOTE 13 DEFICIT FUND BALANCE**

The following funds had a net position deficit as of the fiscal year end:

	Accumulated Deficit
Road	\$ 6,872,192
Northcoast Resource Partnership	461,609

The deficit fund balance in the Road Fund is primarily the result of several outstanding reimbursement claims to FEMA at June 30 for disaster-related expenditures incurred during the year. The deficit in the Northcoast Resources Partnership Fund will be financed through future revenues of the fund.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**COUNTY OF HUMBOLDT**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2020**

Last 10 Fiscal Years*	Safety Plans					
	June 30,					
	2019	2018	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>						
Service Cost	\$ 4,813,680	\$ 4,982,401	\$ 4,640,621	\$ 4,080,379	\$ 4,164,088	\$ 4,185,384
Interest on Total Pension Liability	15,656,673	14,860,932	14,038,633	13,624,602	13,034,283	12,485,789
Changes of Assumptions	-	(606,417)	12,184,884	-	(3,323,361)	-
Differences Between Expected and Actual Experience	1,594,555	2,510,714	(3,324,947)	(1,272,685)	(1,673,748)	-
Benefit payments, Including Refunds of Employee Contributions	(10,782,512)	(9,666,050)	(8,841,462)	(8,358,315)	(7,976,174)	(7,539,487)
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>11,282,396</b>	<b>12,081,580</b>	<b>18,697,729</b>	<b>8,073,981</b>	<b>4,225,088</b>	<b>9,131,686</b>
Total Pension Liability - Beginning	220,364,310	208,282,730	189,585,001	181,511,020	177,285,932	168,154,246
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 231,646,706</b>	<b>\$ 220,364,310</b>	<b>\$ 208,282,730</b>	<b>\$ 189,585,001</b>	<b>\$ 181,511,020</b>	<b>\$ 177,285,932</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Plan-to-Plan Resource Movement	\$ (47,699)	\$ (362)	\$ 18,284	\$ (957)	\$ 63,796	\$ -
Contributions - Employer	6,102,650	5,565,876	5,249,061	4,757,426	4,429,607	4,123,350
Contributions - Employee	2,209,040	2,174,222	1,909,048	1,496,334	1,439,592	1,562,669
Net Investment Income	10,247,510	12,286,593	14,835,660	695,008	2,952,599	20,056,375
Benefit Payments, Including Refunds of Employee Contributions	(10,782,512)	(9,666,050)	(8,841,462)	(8,358,315)	(7,976,174)	(7,539,487)
Administrative Expense	(111,524)	(228,413)	(197,263)	(82,337)	(151,945)	-
Other Miscellaneous	362	(433,761)	-	-	-	-
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>7,617,827</b>	<b>9,698,105</b>	<b>12,973,328</b>	<b>(1,492,841)</b>	<b>757,475</b>	<b>18,202,907</b>
Plan Fiduciary Net Position - Beginning	156,279,044	146,580,939	133,607,611	135,100,452	134,342,977	116,140,070
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 163,896,871</b>	<b>\$ 156,279,044</b>	<b>\$ 146,580,939</b>	<b>\$ 133,607,611</b>	<b>\$ 135,100,452</b>	<b>\$ 134,342,977</b>
<b>NET PENSION LIABILITY - ENDING</b>	<b>\$ 67,749,835</b>	<b>\$ 64,085,266</b>	<b>\$ 61,701,791</b>	<b>\$ 55,977,390</b>	<b>\$ 46,410,568</b>	<b>\$ 42,942,955</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.75%	70.92%	70.38%	70.47%	74.43%	75.78%
Covered Payroll	\$ 16,702,569	\$ 17,149,943	\$ 15,975,698	\$ 15,694,368	\$ 15,854,736	\$ 15,327,146
Net Pension Liability as a Percentage of Covered Payroll	405.63%	373.68%	386.22%	356.67%	292.72%	280.18%

\*Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

*Change in Assumptions:*

The discount rate to measure the net pension liability was 7.65% as of June 30, 2014, 2015 and 2016, and was reduced to 7.15% as of June 30, 2017.

The inflation rate to measure the net pension liability was 2.75% as of June 30, 2014, 2015, 2016 and 2017 and was reduced to 2.50% as of June 30, 2018.

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2020**

Last 10 Fiscal Years*	Miscellaneous Plans					
	June 30,					
	2019	2018	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>						
Service Cost	\$ 15,913,192	\$ 15,973,515	\$ 14,807,223	\$ 13,541,216	\$ 14,413,398	\$ 14,832,034
Interest on Total Pension Liability	51,564,138	49,302,934	44,815,103	44,217,175	42,412,478	40,445,800
Changes of Assumptions	-	(4,905,718)	34,895,188	-	(9,694,226)	-
Differences Between Expected and Actual Experience	4,909,914	11,848,842	(6,283,979)	(5,632,041)	(2,886,636)	-
Benefit payments, Including Refunds of Employee Contributions	(39,203,377)	(36,338,982)	(32,334,940)	(30,746,413)	(28,451,183)	(26,255,798)
Change of Allocation	(759,824)	29,955,265	(6,679,562)	2,431,847	-	-
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>32,424,043</b>	<b>65,835,856</b>	<b>49,219,033</b>	<b>23,811,784</b>	<b>15,793,831</b>	<b>29,022,036</b>
Total Pension Liability - Beginning	728,671,746	662,835,890	613,616,857	589,805,073	574,011,242	544,989,205
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 761,095,789</b>	<b>\$ 728,671,746</b>	<b>\$ 662,835,890</b>	<b>\$ 613,616,857</b>	<b>\$ 589,805,073</b>	<b>\$ 574,011,241</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - Employer	\$ 21,899,254	\$ 20,258,811	\$ 17,968,022	\$ 17,903,857	\$ 17,054,037	\$ 17,041,711
Contributions - Employee	9,290,884	9,206,174	7,488,725	5,790,381	5,870,207	6,421,943
Net Investment Income	33,333,346	40,029,368	46,381,283	2,264,291	9,592,039	62,764,661
Benefit Payments, Including Refunds of Employee Contributions	(39,203,377)	(36,338,982)	(32,334,940)	(30,746,413)	(28,451,182)	(26,255,798)
Plan-to-Plan Resource Movement	45,696	(1,176)	(16,776)	888	12,495	-
Administrative Expense	(362,028)	(743,049)	(616,193)	(260,230)	(478,678)	-
Other Expense	1,175	(1,411,063)	-	-	-	-
Change of Allocation	(529,552)	20,617,871	(4,593,111)	1,753,319	-	-
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>24,475,398</b>	<b>51,617,954</b>	<b>34,277,010</b>	<b>(3,293,907)</b>	<b>3,598,918</b>	<b>59,972,517</b>
Plan Fiduciary Net Position - Beginning	507,840,414	456,222,460	421,945,450	425,239,357	421,640,439	361,667,922
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 532,315,812</b>	<b>\$ 507,840,414</b>	<b>\$ 456,222,460</b>	<b>\$ 421,945,450</b>	<b>\$ 425,239,357</b>	<b>\$ 421,640,439</b>
<b>NET PENSION LIABILITY - ENDING</b>	<b>\$ 228,779,977</b>	<b>\$ 220,831,332</b>	<b>\$ 206,613,430</b>	<b>\$ 191,671,407</b>	<b>\$ 164,565,716</b>	<b>\$ 152,370,802</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.94%	69.69%	68.83%	68.76%	72.10%	73.46%
Covered Payroll	\$ 92,488,019	\$ 90,543,756	\$ 85,210,721	\$ 83,148,866	\$ 86,528,224	\$ 83,737,864
Net Pension Liability as a Percentage of Covered Payroll	247.36%	243.89%	242.47%	230.52%	190.19%	181.96%

\*Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

*Change in Assumptions:*

The discount rate to measure the net pension liability was 7.65% as of June 30, 2014, 2015 and 2016, and was reduced to 7.15% as of June 30, 2017.

The inflation rate to measure the net pension liability was 2.75% as of June 30, 2014, 2015, 2016 and 2017 and was reduced to 2.50% as of June 30, 2018.

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT  
SCHEDULE OF PENSION PLAN CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2020**

The table below shows an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30:

	Safety					
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 7,014,365	\$ 5,851,920	\$ 5,872,050	\$ 5,249,061	\$ 4,757,426	\$ 4,429,607
Contributions Related to the Actuarially Determined Contribution	7,014,365	5,851,920	5,872,050	5,249,061	4,757,426	4,429,607
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 16,869,595	\$ 16,702,569	\$ 17,149,943	\$ 15,975,698	\$ 15,694,368	\$ 15,854,736
Contributions as a Percentage of Covered Payroll	41.58 %	35.04 %	34.24 %	32.86 %	30.31 %	27.94 %
	Miscellaneous					
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 25,570,305	\$ 22,495,592	\$ 20,100,573	\$ 19,582,944	\$ 19,300,602	\$ 18,460,286
Contributions Related to the Actuarially Determined Contribution	25,570,305	22,495,592	20,100,573	19,582,944	19,300,602	18,460,286
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 93,412,899	\$ 92,488,019	\$ 90,543,756	\$ 85,210,731	\$ 83,148,866	\$ 86,258,224
Contributions as a Percentage of Covered Payroll	27.37%	24.32%	22.20%	22.98%	23.21%	21.40%

\*Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

**COUNTY OF HUMBOLDT**  
**SCHEDULE OF CHANGES TO NET OPEB LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2020**

Last 10 Fiscal Years*	<u>Reporting Year</u> <u>June 30, 2020</u>	<u>Reporting Year</u> <u>June 30, 2019</u>	<u>Reporting Year</u> <u>June 30, 2018</u>
<b>TOTAL OPEB LIABILITY</b>			
Service Cost	\$ 2,663,260	\$ 2,647,674	\$ 2,573,681
Interest on Total OPEB Liability	1,628,808	1,509,753	1,429,674
Difference between expected and actual experienc	(8,445,721)	(37,773)	-
Change of assumptions	2,752,055	(425,810)	-
Benefit Payments	(802,876)	(751,789)	(733,082)
Implicit Rate Subsidy Fulfilled	(1,089,129)	(1,057,288)	(1,021,534)
<b>NET CHANGE IN TOTAL OPEB LIABILITY</b>	<u>(3,293,603)</u>	<u>1,884,767</u>	<u>2,248,739</u>
Total OPEB Liability - Beginning	43,277,427	41,392,660	39,143,921
<b>TOTAL OPEB LIABILITY - ENDING</b>	<u>\$ 39,983,824</u>	<u>\$ 43,277,427</u>	<u>\$ 41,392,660</u>
Covered Employee Payroll	\$ 107,433,257	\$ 106,830,722	\$ 103,971,506
Net OPEB Liability as a Percentage of Covered Employee Payroll	37.22%	40.51%	39.81%

\*Fiscal year 2018 was the first year of implementation. Additional years will be presented as they become available.

*Change in Assumptions:*

The discount rate to measure the total OPEB liability was 3.5% as of June 30, 2018, 3.62% as of June 30, 2019 and was reduced to 3.13% as of June 30, 2020.

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 76,278,651	\$ 76,278,651	\$ 80,097,169	\$ 3,818,518
Licenses and Permits	4,402,016	4,402,016	3,444,428	(957,588)
Fines, Forfeits, and Penalties	3,463,385	3,463,385	3,577,675	114,290
Use of Money and Property	341,112	345,912	117,957	(227,955)
Aid from Other Governments	236,839,389	237,977,400	69,411,334	(168,566,066)
Charges for Services	35,117,265	35,227,753	32,746,988	(2,480,765)
Other Revenue	14,992,426	15,618,737	3,654,046	(11,964,691)
Total Revenues	<u>371,434,244</u>	<u>373,313,854</u>	<u>193,049,597</u>	<u>(180,264,257)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	54,421,280	57,614,844	25,680,764	31,934,080
Public Protection	89,043,510	95,190,563	85,434,737	9,755,826
Public Way and Facilities	2,338,005	2,338,005	2,338,915	(910)
Health and Sanitation	84,887,384	87,539,829	79,299,887	8,239,942
Public Assistance	136,521,466	136,521,466	123,103,496	13,417,970
Education	216,058	216,058	205,937	10,121
Recreation and Culture	5,022,692	5,036,092	1,610,759	3,425,333
Contingencies	2,039,212	2,039,212	-	2,039,212
Total Expenditures	<u>374,489,607</u>	<u>386,496,069</u>	<u>317,674,495</u>	<u>68,821,574</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,055,363)</u>	<u>(13,182,215)</u>	<u>(124,624,898)</u>	<u>(111,442,683)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	18,103,203	31,615,161	3,544,049	(28,071,112)
Transfers Out	(15,047,840)	(18,432,946)	(9,047,483)	9,385,463
Total Other Financing Sources (Uses)	<u>3,055,363</u>	<u>13,182,215</u>	<u>(5,503,434)</u>	<u>(18,685,649)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(130,128,332)	(130,128,332)
Budgetary Fund Balances, Beginning of Year	<u>18,775,308</u>	<u>18,775,308</u>	<u>18,775,308</u>	<u>-</u>
<b>BUDGETARY FUND BALANCES - END OF YEAR</b>	<u>\$ 18,775,308</u>	<u>\$ 18,775,308</u>	<u>\$ (111,353,024)</u>	<u>\$ (130,128,332)</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT  
 BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2020**

(1) Explanation of differences between statement of revenues, expenditures and changes in fund balance:

Sources/Inflows of Resources

Actual Amounts from the Budgetary Comparison Schedule	\$ 193,049,597
Receipts from Funds Reclassified from County Agency Funds, Not Budgeted	<u>139,865,175</u>
 Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 332,914,772</u>

Uses/Outflows of Resources

Actual Amounts from the Budgetary Comparison Schedule	\$ 317,674,495
Disbursements from Funds Reclassified from County Agency Funds, Not Budgeted	<u>8,897,079</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 326,571,574</u>

*See accompanying Notes to Required Supplementary Information.*

**COUNTY OF HUMBOLDT  
BUDGETARY COMPARISON SCHEDULE  
ROAD FUND  
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,866,062	\$ 2,866,062	\$ 3,741,130	\$ 875,068
Licenses and Permits	92,866	92,866	67,077	(25,789)
Use of Money and Property	(20,000)	(20,000)	(24,910)	(4,910)
Aid from Other Governments	27,285,695	27,820,869	15,989,006	(11,831,863)
Charges for Services	641,000	641,000	649,022	8,022
Other Revenue	654,952	655,462	113,033	(542,429)
Total Revenues	<u>31,520,575</u>	<u>32,056,259</u>	<u>20,534,358</u>	<u>(11,521,901)</u>
<b>EXPENDITURES</b>				
Current:				
Public Way and Facilities	31,818,742	32,360,326	28,500,790	3,859,536
Total Expenditures	<u>31,818,742</u>	<u>32,360,326</u>	<u>28,500,790</u>	<u>3,859,536</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(298,167)</u>	<u>(304,067)</u>	<u>(7,966,432)</u>	<u>(7,662,365)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Leases	-	-	188,725	188,725
Transfers In	15,260,146	15,266,046	759,983	(14,506,063)
Transfers Out	(14,961,979)	(14,961,979)	(21,355)	14,940,624
Total Other Financing Sources (Uses)	<u>298,167</u>	<u>304,067</u>	<u>927,353</u>	<u>623,286</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(7,039,079)	(7,039,079)
Budgetary Fund Balances, Beginning of Year	<u>166,887</u>	<u>166,887</u>	<u>166,887</u>	<u>-</u>
<b>BUDGETARY FUND BALANCES - END OF YEAR</b>	<u>\$ 166,887</u>	<u>\$ 166,887</u>	<u>\$ (6,872,192)</u>	<u>\$ (7,039,079)</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020**

**NOTE 1 BUDGETARY BASIS OF ACCOUNTING**

**General Budget Policies**

By state law, the County Board of Supervisors must approve a tentative budget no later than June 30 of each year, and adopt a final budget no later than August 30. A public hearing must be conducted to receive comments prior to adoption. However, due to the lateness of the adoption of the state budget, the County by resolution R03-058 has extended these periods to August 10 and October 2, respectively.

From the effective date of the budget, which is adopted and controlled at the departmental level, the amounts stated therein as proposed expenditures become appropriations to the various County departments. However, the legal level of control is the fund level. The Board of Supervisors may amend the budget by resolution during the fiscal year. Department heads may, upon approval of the Auditor-Controller, make transfers from one object or purpose to another within the same budget unit. All other budget amendments must be approved by the Board. It is this final revised budget that is presented in the basic financial statements. Appropriations lapse at year-end.

Budgets are adopted for the general fund and most special revenue funds. Accounting principles applied for purposes of developing data on a budgetary basis are materially the same as those used to present financial statements in conformity with accounting principles generally accepted in the United States of America. The County does not adopt a budget for the Headwaters Mitigation Fund.

Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate publication presenting this information is available.



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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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## **NONMAJOR GOVERNMENTAL FUNDS**

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Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources restricted, committed, or assigned to pay debt principal and interest.

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

	Special Revenue			
	Family Support	Courthouse Construction	County Library	Fish and Game Propagation
<b>ASSETS</b>				
Cash and Investments	\$ 2,006,092	\$ 1,419,545	\$ 1,571,688	\$ 26,414
Receivables	-	-	-	-
Prepays	35,732	-	1,350	-
Total Assets	<u>\$ 2,041,824</u>	<u>\$ 1,419,545</u>	<u>\$ 1,573,038</u>	<u>\$ 26,414</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 6,276	\$ -	\$ 55,155	\$ -
Salaries and Benefits Payable	142,042	-	101,979	-
Due to other Funds	-	-	-	-
Total Liabilities	<u>148,318</u>	<u>-</u>	<u>157,134</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	35,732	-	1,350	-
Restricted	1,857,774	1,419,545	1,414,554	26,414
Unassigned	-	-	-	-
Total Fund Balances	<u>1,893,506</u>	<u>1,419,545</u>	<u>1,415,904</u>	<u>26,414</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,041,824</u>	<u>\$ 1,419,545</u>	<u>\$ 1,573,038</u>	<u>\$ 26,414</u>

**COUNTY OF HUMBOLDT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Special Revenue		Debt Service	
	Northcoast Resource Partnership	Special Districts Under County Board of Supervisors	Debt Service	Total
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 976,032	\$ 90,472	\$ 6,090,243
Receivables	107,185	-	-	107,185
Prepays	2,476	-	-	39,558
<b>Total Assets</b>	<b>\$ 109,661</b>	<b>\$ 976,032</b>	<b>\$ 90,472</b>	<b>\$ 6,236,986</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 270,153	\$ 1,552	\$ -	\$ 333,136
Salaries and Benefits Payable	17,728	-	-	261,749
Due to other Funds	283,389	-	-	283,389
<b>Total Liabilities</b>	<b>571,270</b>	<b>1,552</b>	<b>-</b>	<b>878,274</b>
<b>FUND BALANCE</b>				
Nonspendable	2,476	-	-	39,558
Restricted	-	974,480	90,472	5,783,239
Unassigned	(464,085)	-	-	(464,085)
<b>Total Fund Balances</b>	<b>(461,609)</b>	<b>974,480</b>	<b>90,472</b>	<b>5,358,712</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 109,661</b>	<b>\$ 976,032</b>	<b>\$ 90,472</b>	<b>\$ 6,236,986</b>

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

	Special Revenue			
	Family Support	Courthouse Construction	County Library	Fish and Game Propagation
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 3,088,081	\$ -
Fines, Forfeitures, and Penalties	-	361,314	-	8,837
Use of Money and Property	39,901	20,658	20,146	443
Intergovernmental	4,229,942	-	206,103	-
Charges for Services	-	-	52,242	-
Miscellaneous	48,406	-	350,688	19
Total Revenues	<u>4,318,249</u>	<u>381,972</u>	<u>3,717,260</u>	<u>9,299</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	4,383,920	-	-	10,231
Education	-	-	3,896,834	-
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>4,383,920</u>	<u>-</u>	<u>3,896,834</u>	<u>10,231</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(65,671)	381,972	(179,574)	(932)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(9,521)	(75,170)	371,898	-
Total Other Financing Sources (Uses)	<u>(9,521)</u>	<u>(75,170)</u>	<u>371,898</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(75,192)	306,802	192,324	(932)
Fund Balances - Beginning of Year	<u>1,968,698</u>	<u>1,112,743</u>	<u>1,223,580</u>	<u>27,346</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,893,506</u>	<u>\$ 1,419,545</u>	<u>\$ 1,415,904</u>	<u>\$ 26,414</u>



**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020**

	Special Revenue		Debt Service	
	Northcoast Resource Partnership	Special Districts Under County Board of Supervisors	Debt Service	Total
<b>REVENUES</b>				
Taxes	\$ -	\$ 400,637	\$ -	\$ 3,488,718
Fines, Forfeitures, and Penalties	-	-	-	370,151
Use of Money and Property	(2,546)	18,366	589	97,557
Intergovernmental	5,087,975	43,790	-	9,567,810
Charges for Services	58,894	3,477	-	114,613
Miscellaneous	1,895	20,000	-	421,008
Total Revenues	5,146,218	486,270	589	14,059,857
<b>EXPENDITURES</b>				
Current:				
Public Protection	4,870,222	164,613	-	9,428,986
Education	-	-	-	3,896,834
Debt Service:				
Principal	-	-	1,365,000	1,365,000
Interest and Other Charges	-	37,570	244,721	282,291
Total Expenditures	4,870,222	202,183	1,609,721	14,973,111
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	275,996	284,087	(1,609,132)	(913,254)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	78,153	-	2,382,381	2,460,534
Transfers Out	(1,060)	(183,153)	(386,332)	(283,338)
Total Other Financing Sources (Uses)	77,093	(183,153)	1,996,049	2,177,196
<b>NET CHANGE IN FUND BALANCES</b>	353,089	100,934	386,917	1,263,942
Fund Balances - Beginning of Year	(814,698)	873,546	(296,445)	4,094,770
<b>FUND BALANCES - END OF YEAR</b>	\$ (461,609)	\$ 974,480	\$ 90,472	\$ 5,358,712

**INTERNAL SERVICE FUNDS**

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

	<u>Heavy Equipment</u>	<u>Information Technology</u>	<u>Central Services</u>	<u>Communications</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 2,741,210	\$ 405,994	\$ 67,982	\$ 1,982,231
Accounts Receivable	936	-	-	-
Prepaid Expenses	-	-	-	4,167
Total Current Assets	<u>2,742,146</u>	<u>405,994</u>	<u>67,982</u>	<u>1,986,398</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	-	-	-	3,950,290
Depreciable, Net of Depreciation	3,659,051	231,424	2,422	254,120
Total Noncurrent Assets	<u>3,659,051</u>	<u>231,424</u>	<u>2,422</u>	<u>4,204,410</u>
Total Assets	<u>6,401,197</u>	<u>637,418</u>	<u>70,404</u>	<u>6,190,808</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	81,185	183,084	1,002	36,400
Accrued Payroll and Benefits	39,090	101,069	13,671	4,824
Capital Leases	304,179	-	-	-
Compensated Absences	32,218	100,593	7,769	1,933
Provision for Estimated Claims	-	-	-	-
Total Current Liabilities	<u>456,672</u>	<u>384,746</u>	<u>22,442</u>	<u>43,157</u>
Noncurrent Liabilities:				
Capital Leases	774,802	-	-	-
Compensated Absences	3,682	-	5,006	123
Total Noncurrent Liabilities	<u>778,484</u>	<u>-</u>	<u>5,006</u>	<u>123</u>
Total Liabilities	<u>1,235,156</u>	<u>384,746</u>	<u>27,448</u>	<u>43,280</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,580,070	231,424	2,422	4,204,410
Unrestricted	2,585,971	21,248	40,534	1,943,118
Total Net Position	<u>\$ 5,166,041</u>	<u>\$ 252,672</u>	<u>\$ 42,956</u>	<u>\$ 6,147,528</u>

**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2020**

	Motor Pool	ADA Compliance	Insurance Funds	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 3,356,180	\$ 372,723	\$ 9,195,173	\$ 18,121,493
Accounts Receivable	1,538	-	188	2,662
Prepaid Expenses	-	-	61,873	66,040
Total Current Assets	<u>3,357,718</u>	<u>372,723</u>	<u>9,257,234</u>	<u>18,190,195</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	-	-	-	3,950,290
Depreciable, Net of Depreciation	7,595,911	5,176	-	11,748,104
Total Noncurrent Assets	<u>7,595,911</u>	<u>5,176</u>	<u>-</u>	<u>15,698,394</u>
Total Assets	<u>10,953,629</u>	<u>377,899</u>	<u>9,257,234</u>	<u>33,888,589</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	71,643	104,956	627,529	1,105,799
Accrued Payroll and Benefits	27,996	26,902	30,083	243,635
Capital Leases	-	-	-	304,179
Compensated Absences	33,263	27,072	54,776	257,624
Provision for Estimated Claims	-	-	1,698,323	1,698,323
Total Current Liabilities	<u>132,902</u>	<u>158,930</u>	<u>2,410,711</u>	<u>3,609,560</u>
Noncurrent Liabilities:				
Capital Leases	-	-	-	774,802
Compensated Absences	17,281	95,248	-	121,340
Total Noncurrent Liabilities	<u>17,281</u>	<u>95,248</u>	<u>-</u>	<u>896,142</u>
Total Liabilities	<u>150,183</u>	<u>254,178</u>	<u>2,410,711</u>	<u>4,505,702</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	7,595,911	5,176	-	14,619,413
Unrestricted	3,207,535	118,545	6,846,523	14,763,474
Total Net Position	<u>\$ 10,803,446</u>	<u>\$ 123,721</u>	<u>\$ 6,846,523</u>	<u>\$ 29,382,887</u>

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

	Heavy Equipment	Information Technology	Central Services	Communications
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 3,649,883	\$ 4,358,847	\$ 166,797	\$ 279,480
Miscellaneous Revenues	388,970	20,217	35,782	37,531
Total Operating Revenues	<u>4,038,853</u>	<u>4,379,064</u>	<u>202,579</u>	<u>317,011</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	938,261	2,066,928	291,856	98,553
Services and Supplies	1,640,154	2,420,048	55,215	187,461
Self-Insurance Claims	-	-	-	-
Depreciation	386,226	84,264	4,548	64,506
Total Operating Expenses	<u>2,964,641</u>	<u>4,571,240</u>	<u>351,619</u>	<u>350,520</u>
<b>NET OPERATING INCOME (LOSS)</b>	<u>1,074,212</u>	<u>(192,176)</u>	<u>(149,040)</u>	<u>(33,509)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	26,315	(7,882)	4,036	36,686
Interest Expense	(56,354)	-	-	-
Contributions of Capital Assets	-	-	-	-
Sale of Capital Assets	18,500	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(11,539)</u>	<u>(7,882)</u>	<u>4,036</u>	<u>36,686</u>
Income (Loss) Before Transfers	1,062,673	(200,058)	(145,004)	3,177
Transfers In	-	42,867	-	2,124,923
Transfers Out	(2,361)	(5,564)	(847)	(196)
<b>CHANGE IN NET POSITION</b>	1,060,312	(162,755)	(145,851)	2,127,904
Net Position - Beginning of Year	<u>4,105,729</u>	<u>415,427</u>	<u>188,807</u>	<u>4,019,624</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 5,166,041</u>	<u>\$ 252,672</u>	<u>\$ 42,956</u>	<u>\$ 6,147,528</u>

**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2020**

	Motor Pool	ADA Compliance	Insurance Funds	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 3,478,290	\$ 2,377,964	\$ 29,883,009	\$ 44,194,270
Miscellaneous Revenues	52,008	30,495	559,976	1,124,979
Total Operating Revenues	<u>3,530,298</u>	<u>2,408,459</u>	<u>30,442,985</u>	<u>45,319,249</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	680,555	569,138	429,178	5,074,469
Services and Supplies	1,834,923	508,218	29,459,419	36,105,438
Self-Insurance Claims	-	-	1,302,084	1,302,084
Depreciation	1,157,002	2,071	-	1,698,617
Total Operating Expenses	<u>3,672,480</u>	<u>1,079,427</u>	<u>31,190,681</u>	<u>44,180,608</u>
<b>NET OPERATING INCOME (LOSS)</b>	<u>(142,182)</u>	<u>1,329,032</u>	<u>(747,696)</u>	<u>1,138,641</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	71,758	15,905	101,557	248,375
Interest Expense	-	-	-	(56,354)
Contributions of Capital Assets	-	(1,993,673)	-	(1,993,673)
Sale of Capital Assets	40,300	-	-	58,800
Total Nonoperating Revenues (Expenses)	<u>112,058</u>	<u>(1,977,768)</u>	<u>101,557</u>	<u>(1,742,852)</u>
Income (Loss) Before Transfers	(30,124)	(648,736)	(646,139)	(604,211)
Transfers In	54,001	-	-	2,221,791
Transfers Out	(1,970)	(1,521)	(2,085)	(14,544)
<b>CHANGE IN NET POSITION</b>	21,907	(650,257)	(648,224)	1,603,036
Net Position - Beginning of Year	<u>10,781,539</u>	<u>773,978</u>	<u>7,494,747</u>	<u>27,779,851</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 10,803,446</u>	<u>\$ 123,721</u>	<u>\$ 6,846,523</u>	<u>\$ 29,382,887</u>

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

	<u>Heavy Equipment</u>	<u>Information Technology</u>	<u>Central Services</u>	<u>Communications</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Receipts from Interfund Services Provided	\$ 4,040,132	\$ 4,379,064	\$ 202,579	\$ 317,011
Cash Paid to Suppliers for Goods and Services	(1,701,442)	(2,502,621)	(55,320)	(223,605)
Cash Paid to Employees	<u>(926,349)</u>	<u>(2,041,393)</u>	<u>(288,904)</u>	<u>(97,002)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,412,341</u>	<u>(164,950)</u>	<u>(141,645)</u>	<u>(3,596)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers From Other Funds	-	42,867	-	2,124,923
Transfers To Other Funds	<u>(2,361)</u>	<u>(1,102,006)</u>	<u>(847)</u>	<u>(196)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(2,361)</u>	<u>(1,059,139)</u>	<u>(847)</u>	<u>2,124,727</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from Sale of Capital Assets	18,500	140,738	-	-
Purchase of Capital Assets	(411,016)	(73,608)	-	(2,772,945)
Principal Paid on Capital Debt	(291,492)			
Interest Paid on Capital Debt	<u>(56,354)</u>			
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(740,362)</u>	<u>67,130</u>	<u>-</u>	<u>(2,772,945)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received (Paid)	<u>26,315</u>	<u>(7,882)</u>	<u>4,036</u>	<u>36,686</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	695,933	(1,164,841)	(138,456)	(615,128)
Cash and Cash Equivalents - Beginning of Year	<u>2,045,277</u>	<u>1,570,835</u>	<u>206,438</u>	<u>2,597,359</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,741,210</u>	<u>\$ 405,994</u>	<u>\$ 67,982</u>	<u>\$ 1,982,231</u>



**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2020**

	Motor Pool	ADA Compliance	Insurance Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Receipts from Interfund Services Provided	\$ 3,528,760	\$ 2,408,459	\$ 30,460,047	\$ 45,336,052
Cash Paid to Suppliers for Goods and Services	(1,982,827)	(730,862)	(30,977,432)	(38,174,109)
Cash Paid to Employees	(673,338)	(561,417)	(432,345)	(5,020,748)
Net Cash Provided (Used) by Operating Activities	<u>872,595</u>	<u>1,116,180</u>	<u>(949,730)</u>	<u>2,141,195</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers From Other Funds	54,001	-	-	2,221,791
Transfers To Other Funds	(1,970)	(1,521)	(2,085)	(1,110,986)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>52,031</u>	<u>(1,521)</u>	<u>(2,085)</u>	<u>1,110,805</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from Sale of Capital Assets	40,300	-	-	199,538
Purchase of Capital Assets	(1,009,717)	(1,993,673)	-	(6,260,959)
Principal Paid on Capital Debt				(291,492)
Interest Paid on Capital Debt				(56,354)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(969,417)</u>	<u>(1,993,673)</u>	<u>-</u>	<u>(6,409,267)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received (Paid)	<u>71,758</u>	<u>15,905</u>	<u>101,557</u>	<u>248,375</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	26,967	(863,109)	(850,258)	(2,908,892)
Cash and Cash Equivalents - Beginning of Year	<u>3,329,213</u>	<u>1,235,832</u>	<u>10,045,431</u>	<u>21,030,385</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,356,180</u>	<u>\$ 372,723</u>	<u>\$ 9,195,173</u>	<u>\$ 18,121,493</u>

**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2020**

	<u>Heavy Equipment</u>	<u>Information Technology</u>	<u>Central Services</u>	<u>Communications</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 1,074,212	\$ (192,176)	\$ (149,040)	\$ (33,509)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	386,226	84,264	4,548	64,506
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Receivables	1,279	-	-	-
Prepaid Expenses	-	1,031	-	(4,167)
Increase (decrease) in:				
Payables	(61,288)	(83,604)	(105)	(31,977)
Accrued Salaries and Benefits	11,912	25,535	2,952	1,551
Claims Payable	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,412,341</u>	<u>\$ (164,950)</u>	<u>\$ (141,645)</u>	<u>\$ (3,596)</u>

**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2020**

	<u>Motor Pool</u>	<u>ADA Compliance</u>	<u>Insurance Funds</u>	<u>Total</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (142,182)	\$ 1,329,032	\$ (747,696)	\$ 1,138,641
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,157,002	2,071	-	1,698,617
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Receivables	(1,538)	-	17,062	16,803
Prepaid Expenses	-	-	-	(3,136)
Increase (decrease) in:				
Payables	(147,904)	(222,644)	173,335	(374,187)
Accrued Salaries and Benefits	7,217	7,721	(3,167)	53,721
Claims Payable	-	-	(389,264)	(389,264)
Net Cash Provided (Used) by Operating Activities	<u>\$ 872,595</u>	<u>\$ 1,116,180</u>	<u>\$ (949,730)</u>	<u>\$ 2,141,195</u>

## **INSURANCE FUNDS**

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**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF NET POSITION  
INSURANCE FUNDS  
JUNE 30, 2020**

	Dental	County Insurance	Workers' Compensation
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,203,400	\$ 334,757	\$ 1,316,636
Accounts Receivable	118	-	-
Prepaid Expenses	28,000	-	-
	1,231,518	334,757	1,316,636
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	34,538	195,622	-
Accrued Payroll and Benefits	-	30,083	-
Liability for Compensated Absences	-	54,776	-
Provision for Estimated Claims	127,255	-	-
	161,793	280,481	-
Total Current Liabilities	161,793	280,481	-
Total Liabilities	161,793	280,481	-
<b>NET POSITION</b>			
Unrestricted	1,069,725	54,276	1,316,636
Total Net Position	\$ 1,069,725	\$ 54,276	\$ 1,316,636

**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
INSURANCE FUNDS  
JUNE 30, 2020**

	<u>Liability</u>	<u>Medical</u>	<u>Unemployment</u>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 3,202,541	\$ 2,335,143	\$ 374,193
Accounts Receivable	-	-	-
Prepaid Expenses	-	-	-
	<u>3,202,541</u>	<u>2,335,143</u>	<u>374,193</u>
Total Assets	3,202,541	2,335,143	374,193
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	221,795	-	-
Accrued Payroll and Benefits	-	-	-
Liability for Compensated Absences	-	-	-
Provision for Estimated Claims	1,479,000	-	92,068
Total Current Liabilities	<u>1,700,795</u>	<u>-</u>	<u>92,068</u>
Total Liabilities	<u>1,700,795</u>	<u>-</u>	<u>92,068</u>
<b>NET POSITION</b>			
Unrestricted	<u>1,501,746</u>	<u>2,335,143</u>	<u>282,125</u>
Total Net Position	<u>\$ 1,501,746</u>	<u>\$ 2,335,143</u>	<u>\$ 282,125</u>

**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
INSURANCE FUNDS  
JUNE 30, 2020**

	Purchased Insurance Premium	Employee Benefits	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 245,850	\$ 182,653	\$ 9,195,173
Accounts Receivable	-	70	188
Prepaid Expenses	33,873	-	61,873
Total Assets	279,723	182,723	9,257,234
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	175,574	-	627,529
Accrued Payroll and Benefits	-	-	30,083
Liability for Compensated Absences	-	-	54,776
Provision for Estimated Claims	-	-	1,698,323
Total Current Liabilities	175,574	-	2,410,711
Total Liabilities	175,574	-	2,410,711
<b>NET POSITION</b>			
Unrestricted	104,149	182,723	6,846,523
Total Net Position	\$ 104,149	\$ 182,723	\$ 6,846,523



**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
INSURANCE FUNDS  
YEAR ENDED JUNE 30, 2020**

	<u>Dental</u>	<u>County Insurance</u>	<u>Workers' Compensation</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,584,385	\$ 775,616	\$ 5,054,129
Miscellaneous Revenues	28,000	7,286	238,267
Total Operating Revenues	<u>1,612,385</u>	<u>782,902</u>	<u>5,292,396</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	-	429,178	-
Services and Supplies	175,298	832,496	6,025,856
Self-Insurance Claims	1,020,342	-	-
Total Operating Expenses	<u>1,195,640</u>	<u>1,261,674</u>	<u>6,025,856</u>
<b>NET OPERATING INCOME (LOSS)</b>	416,745	(478,772)	(733,460)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	14,695	7,117	(10,775)
Total Nonoperating Revenues (Expenses)	<u>14,695</u>	<u>7,117</u>	<u>(10,775)</u>
Income (Loss) Before Transfers	431,440	(471,655)	(744,235)
Transfers Out	<u>-</u>	<u>(2,085)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	431,440	(473,740)	(744,235)
Net Position - Beginning of Year	<u>638,285</u>	<u>528,016</u>	<u>2,060,871</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,069,725</u>	<u>\$ 54,276</u>	<u>\$ 1,316,636</u>

**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION (CONTINUED)  
INSURANCE FUNDS  
YEAR ENDED JUNE 30, 2020**

	<u>Liability</u>	<u>Medical</u>	<u>Unemployment</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 3,950,406	\$ 16,796,725	\$ 320,707
Miscellaneous Revenues	140,186	72,000	32,000
Total Operating Revenues	<u>4,090,592</u>	<u>16,868,725</u>	<u>352,707</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	-	-	-
Services and Supplies	3,799,296	16,273,844	979,243
Self-Insurance Claims	188,593	-	93,149
Total Operating Expenses	<u>3,987,889</u>	<u>16,273,844</u>	<u>1,072,392</u>
<b>NET OPERATING INCOME (LOSS)</b>	102,703	594,881	(719,685)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	27,525	46,303	20,075
Total Nonoperating Revenues (Expenses)	<u>27,525</u>	<u>46,303</u>	<u>20,075</u>
Income (Loss) Before Transfers	130,228	641,184	(699,610)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	130,228	641,184	(699,610)
Net Position - Beginning of Year	<u>1,371,518</u>	<u>1,693,959</u>	<u>981,735</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,501,746</u>	<u>\$ 2,335,143</u>	<u>\$ 282,125</u>

**COUNTY OF HUMBOLDT  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION (CONTINUED)  
 INSURANCE FUNDS  
 YEAR ENDED JUNE 30, 2020**

	Purchased Insurance Premium	Insurance Benefits	Total
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 941,394	\$ 459,647	\$ 29,883,009
Miscellaneous Revenues	22,237	20,000	559,976
Total Operating Revenues	963,631	479,647	30,442,985
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	-	-	429,178
Services and Supplies	959,642	413,744	29,459,419
Self-Insurance Claims	-	-	1,302,084
Total Operating Expenses	959,642	413,744	31,190,681
<b>NET OPERATING INCOME (LOSS)</b>	3,989	65,903	(747,696)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	(4,757)	1,374	101,557
Total Nonoperating Revenues (Expenses)	(4,757)	1,374	101,557
Income (Loss) Before Transfers	(768)	67,277	(646,139)
Transfers Out	-	-	(2,085)
<b>CHANGE IN NET POSITION</b>	(768)	67,277	(648,224)
Net Position - Beginning of Year	104,917	115,446	7,494,747
<b>NET POSITION - END OF YEAR</b>	\$ 104,149	\$ 182,723	\$ 6,846,523

**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF CASH FLOWS  
INSURANCE FUNDS  
YEAR ENDED JUNE 30, 2020**

	<u>Dental</u>	<u>County Insurance</u>	<u>Workers' Compensation</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Receipts from Interfund Services Provided	\$ 1,612,451	\$ 782,902	\$ 5,292,711
Cash Paid to Suppliers for Goods and Services	(1,240,659)	(638,652)	(6,025,856)
Cash Paid to Employees	-	(432,345)	-
Net Cash Provided (Used) by Operating Activities	<u>371,792</u>	<u>(288,095)</u>	<u>(733,145)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from (to) other funds	-	(2,085)	-
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(2,085)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received (Paid)	<u>14,695</u>	<u>7,117</u>	<u>(10,775)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	386,487	(283,063)	(743,920)
Cash and Cash Equivalents - Beginning of Year	<u>816,913</u>	<u>617,820</u>	<u>2,060,556</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,203,400</u>	<u>\$ 334,757</u>	<u>\$ 1,316,636</u>

**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INSURANCE FUNDS  
YEAR ENDED JUNE 30, 2020**

	<u>Liability</u>	<u>Medical</u>	<u>Unemployment</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Receipts from Interfund Services Provided	\$ 4,095,824	\$16,868,725	\$ 352,707
Cash Paid to Suppliers for Goods and Services	(4,341,476)	(16,273,844)	(1,103,630)
Cash Paid to Employees	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>(245,652)</u>	<u>594,881</u>	<u>(750,923)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received (Paid)	<u>27,525</u>	<u>46,303</u>	<u>20,075</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(218,127)	641,184	(730,848)
Cash and Cash Equivalents - Beginning of Year	<u>3,420,668</u>	<u>1,693,959</u>	<u>1,105,041</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,202,541</u>	<u>\$ 2,335,143</u>	<u>\$ 374,193</u>

**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INSURANCE FUNDS  
YEAR ENDED JUNE 30, 2020**

	Purchased Insurance Premium	Employee Benefits	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Receipts from Interfund Services Provided	\$ 975,131	\$ 479,596	\$30,460,047
Cash Paid to Suppliers for Goods and Services	(924,790)	(428,525)	(30,977,432)
Cash Paid to Employees	-	-	(432,345)
Net Cash Provided (Used) by Operating Activities	50,341	51,071	(949,730)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from (to) other funds	-	-	(2,085)
Net Cash Provided (Used) by Investing Activities	-	-	(2,085)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received (Paid)	(4,757)	1,374	101,557
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
	45,584	52,445	(850,258)
Cash and Cash Equivalents - Beginning of Year	200,266	130,208	10,045,431
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 245,850</b>	<b>\$ 182,653</b>	<b>\$ 9,195,173</b>

**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INSURANCE FUNDS  
YEAR ENDED JUNE 30, 2020**

	Dental	County Insurance	Workers' Compensation
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 416,745	\$ (478,772)	\$ (733,460)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	66	-	315
Prepaid Expenses	-	-	-
Increase (Decrease) in:			
Payables	(45,019)	193,844	-
Accrued Salaries and Benefits	-	(3,167)	-
Liability for Compensated Absences	-	-	-
Claims Payable	-	-	-
Net Cash Provided (Used) by Operating Activities	\$ 371,792	\$ (288,095)	\$ (733,145)

**COUNTY OF HUMBOLDT  
 COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
 INSURANCE FUNDS  
 YEAR ENDED JUNE 30, 2020**

	<u>Liability</u>	<u>Medical</u>	<u>Unemployment</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS)            TO NET CASH PROVIDED (USED) BY            OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 102,703	\$ 594,881	\$ (719,685)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	5,232	-	-
Prepaid Expenses	-	-	-
Increase (Decrease) in:			
Payables	40,413	-	(35,974)
Accrued Salaries and Benefits	-	-	-
Liability for Compensated Absences	-	-	-
Claims Payable	(394,000)	-	4,736
Net Cash Provided (Used) by Operating Activities	\$ (245,652)	\$ 594,881	\$ (750,923)



**COUNTY OF HUMBOLDT  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INSURANCE FUNDS  
YEAR ENDED JUNE 30, 2020**

	Purchased Insurance Premium	Employee Benefits	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 3,989	\$ 65,903	\$ (747,696)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	11,500	(51)	17,062
Prepaid Expenses	-	-	-
Increase (Decrease) in:			
Payables	34,852	(14,781)	173,335
Accrued Salaries and Benefits	-	-	(3,167)
Liability for Compensated Absences	-	-	-
Claims Payable	-	-	(389,264)
Net Cash Provided (Used) by Operating Activities	\$ 50,341	\$ 51,071	\$ (949,730)



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