

**CITY OF BIGGS,
California**

**Financial Statements
with
Independent Auditor's Report**

**For the Year Ended
June 30, 2020**

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CITY OF BIGGS, CALIFORNIA
CITY OFFICIALS
For the Year Ended June 30, 2020

Office	Name	Term
Mayor	James Sheppard	December 2022
Vice Mayor	Angela Thompson	December 2022
Councilmember	Brian Bassett	December 2022
Councilmember	John Busch	December 2020
Councilmember	Roger Frith	December 2020

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FINANCIAL SECTION

Independent Auditor's Report
Basic Financial Statements
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INDEPENDENT AUDITOR'S REPORT

To The Honorable Mayor and Members of the City Council
City of Biggs
Biggs, 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 City of Biggs, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Biggs's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

RT DENNIS
ACCOUNTANCY

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Biggs, 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 budgetary comparison information, the changes in net pension liabilities and related ratios, and schedule of pension plan contributions on pages 51 – 54 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 opinion on the basic financial statements is 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 City of Biggs's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 April 5, 2021 on our consideration of the City of Biggs'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 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 City of Biggs's internal control over financial reporting and compliance.



April 5, 2021

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

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CITY OF BIGGS, CALIFORNIA
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 2,223,390	\$ 1,965,983	\$ 4,189,373
Accrued receivables	942,599	500,974	1,443,573
Internal balances	89,450	(89,450)	-
Prepaid power	-	123,327	123,327
Capital assets:			
Non-depreciable	404,492	11,496,552	11,901,044
Depreciable, net	6,352,743	5,344,516	11,697,259
Total capital assets	6,757,235	16,841,068	23,598,303
Total Assets	10,012,674	19,341,902	29,354,576
DEFERRED OUTFLOW OF RESOURCES	41,000	136,000	177,000
LIABILITIES			
Accrued payables	26,332	97,092	123,424
Unearned revenue	834,018	-	834,018
Deposits and retentions payable	7,261	140,997	148,258
Long-term liabilities:			
Due within one year	6,000	147,622	153,622
Due in more than one year	466,556	9,973,892	10,440,448
Total Liabilities	1,340,167	10,359,603	11,699,770
DEFERRED INFLOWS OF RESOURCES	6,000	42,000	48,000
NET POSITION			
Net investment in capital assets	6,533,235	7,394,303	13,927,538
Restricted for:			
Grants, taxes, and other	915,941	-	915,941
Energy scheduling services	-	727,897	727,897
Unrestricted	1,258,331	954,099	2,212,430
Total Net Position	\$ 8,707,507	\$ 9,076,299	\$ 17,783,806

The accompanying notes are an integral part of these financial statements.

CITY OF BIGGS, CALIFORNIA
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
General Government	\$ 495,564	\$ 17,267	\$ 247,789
Public Safety	364,802	12,710	182,406
Public Ways and Facilities	180,119	6,275	90,062
Electric	2,048	71	1,024
Interest	11,275	-	-
Total Governmental Activities	<u>1,053,808</u>	<u>36,323</u>	<u>521,281</u>
Business-type activities:			
Sewer	788,897	652,762	-
Electric	2,705,394	2,665,959	-
Water	500,511	488,499	-
Other Enterprise	136	219,813	-
Total Business-Type Activities	<u>3,994,938</u>	<u>4,027,033</u>	<u>-</u>
Total	<u>\$ 5,048,746</u>	<u>\$ 4,063,356</u>	<u>\$ 521,281</u>

General revenues:

Taxes:

Property taxes, levied for general purposes
Grants and contributions not restricted
to specific programs

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues, special items, and transfers

Change in Net Position

Net position - beginning (restated)

Net position - ending

The accompanying notes are an integral part of these financial statements.

CITY OF BIGGS, CALIFORNIA
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION *(Continued)*
For the Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business Type Activities	Total
\$ (230,508)		\$ (230,508)
(169,686)		(169,686)
(83,782)		(83,782)
(953)		(953)
(11,275)		(11,275)
(496,204)	-	(496,204)
-	(136,135)	(136,135)
-	(39,435)	(39,435)
-	(12,012)	(12,012)
-	219,677	219,677
-	32,095	32,095
(496,204)	32,095	(464,109)
367,747	-	367,747
107,297	2,962	110,259
21,340	70,492	91,832
794	67,401	68,195
180,450	(180,450)	-
677,628	(39,595)	638,033
181,424	(7,500)	173,924
8,526,083	9,083,799	17,609,882
\$ 8,707,507	\$ 9,076,299	\$ 17,783,806

The accompanying notes are an integral part of these financial statements.

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BASIC FINANCIAL STATEMENTS

Fund Financial Statements

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CITY OF BIGGS, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	Non-Major Governmental Funds	Total
ASSETS			
Cash and investments	\$ 516,182	\$ 1,707,208	\$ 2,223,390
Receivable (net of allowance)	82,111	860,488	942,599
Due from other funds	372,088	38,102	410,190
Total Assets	<u>\$ 970,381</u>	<u>2,605,798</u>	<u>3,576,179</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued payables	\$ 23,290	\$ 3,042	\$ 26,332
Due to other funds	-	320,740	320,740
Unearned revenue	-	834,018	834,018
Customer deposits	-	7,261	7,261
Total Liabilities	<u>23,290</u>	<u>1,165,061</u>	<u>1,188,351</u>
FUND BALANCES			
Restricted	-	915,941	915,941
Assigned	-	807,043	807,043
Unassigned	947,091	(282,247)	664,844
Total Fund Balances	<u>947,091</u>	<u>1,440,737</u>	<u>2,387,828</u>
Total Liabilities and Fund Balances	<u>\$ 970,381</u>	<u>\$ 2,605,798</u>	<u>\$ 3,576,179</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BIGGS, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
June 30, 2020

Total Fund Balance - Total Governmental Funds \$2,387,828

Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets relating to governmental activities, at historical cost:	\$8,464,277	
Accumulated depreciation:	<u>(1,707,042)</u>	6,757,235

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Loans payable	224,000	
Net Pension Liability (Asset)	181,000	
Net OPEB Obligation	33,000	
Compensated absences payable	<u>34,556</u>	(472,556)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources relating to pensions	41,000
Deferred inflows of resources relating to pensions	<u>(6,000)</u>

Total Net Position - Governmental Activities: \$8,707,507

CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General Fund	Non-Major Governmental Funds	Total
REVENUES			
Taxes and assessments	\$ 219,899	\$ 147,848	\$ 367,747
Licenses and permits	55,185	-	55,185
Fines and forfeitures	52,112	-	52,112
Use of money	11,306	10,034	21,340
Intergovernmental	379,905	141,377	521,282
Charges for services	23,442	12,880	36,322
Other revenues	3,382	37	3,419
Total Revenues	<u>745,231</u>	<u>312,176</u>	<u>1,057,407</u>
EXPENDITURES			
Current:			
General Government	229,242	81,473	310,715
Public Safety	367,726	361	368,087
Public Works and Facilities	152,136	53,807	205,943
Electric	-	2,048	2,048
Debt service:			
Principal	6,000	-	6,000
Interest and other charges	11,275	-	11,275
Capital outlay	-	287,865	287,865
Total Expenditures	<u>766,379</u>	<u>425,554</u>	<u>1,191,933</u>
Excess of Revenues Over (Under) Expenditures	<u>(21,148)</u>	<u>(113,378)</u>	<u>(134,526)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	150,000	32,000	182,000
Transfers out	-	(1,550)	(1,550)
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>30,450</u>	<u>180,450</u>
Net Change in Fund Balances	128,852	(82,928)	45,924
Fund Balances - Beginning	<u>818,239</u>	<u>1,523,665</u>	<u>2,341,904</u>
Fund Balances - Ending	<u>\$ 947,091</u>	<u>\$ 1,440,737</u>	<u>\$ 2,387,828</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BIGGS, CALIFORNIA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 GOVERNMENTAL ACTIVITIES
 For the Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 45,924

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

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 287,865	
Depreciation expense:	<u>(185,321)</u>	102,544

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

6,000

Gain or loss from the disposal of capital assets:

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:

(2,625)

CITY OF BIGGS, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES, *(Continued)*
For the Year Ended June 30, 2020

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was: (3,329)

Pensions:

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: 62,793

Postemployment benefits other than pensions ("OPEB"):

In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was: (29,883)

Change in net position of Governmental Activities \$ 181,424

CITY OF BIGGS, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Major Funds			Nonmajor Fund	Total
	Sewer	Electric	Water	Solid Waste	
ASSETS					
Cash and investments	\$ 735,757	\$ 727,897	\$ 493,833	\$ 8,496	\$1,965,983
Receivable (net of allowance)	91,827	310,555	68,804	29,788	500,974
Due from other funds	489,642	3,297,381	377,550	2,280	4,166,853
Other current assets	-	123,327	-	-	123,327
Capital assets:					
Non-depreciable	11,312,697	7,158	176,697	-	11,496,552
Depreciable, net	588,600	521,163	4,234,753	-	5,344,516
Total Assets	<u>13,218,523</u>	<u>4,987,481</u>	<u>5,351,637</u>	<u>40,564</u>	<u>23,598,205</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	40,000	51,000	40,000	5,000	136,000
LIABILITIES					
Payables	44,019	11,017	41,502	554	97,092
Due to other funds	3,891,155	123,913	236,235	5,000	4,256,303
Customer deposits	-	140,997	-	-	140,997
Long-term liabilities - current	82,622	-	65,000	-	147,622
Long-term liabilities - noncurrent	6,566,599	248,243	3,133,140	25,910	9,973,892
Total Liabilities	<u>10,584,395</u>	<u>524,170</u>	<u>3,475,877</u>	<u>31,464</u>	<u>14,615,906</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	12,000	16,000	12,000	2,000	42,000
NET POSITION					
Net investment in capital assets	5,454,532	528,321	1,411,450	-	7,394,303
Restricted for:					
Energy scheduling services	-	727,897	-	-	727,897
Unrestricted - (Deficit)	(2,792,404)	3,242,093	492,310	12,100	954,099
Total Net Position	<u>\$2,662,128</u>	<u>\$4,498,311</u>	<u>\$1,903,760</u>	<u>\$ 12,100</u>	<u>\$9,076,299</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Major Funds			Nonmajor Fund	Total
	Sewer	Electric	Water	Solid Waste	
OPERATING REVENUES					
Charges for services	\$ 652,762	\$2,665,959	\$ 488,499	\$ 219,813	\$4,027,033
Miscellaneous services	7,273	58,329	(500)	-	65,102
Total Operating Revenue	660,035	2,724,288	487,999	219,813	4,092,135
OPERATING EXPENSES					
Personnel costs	179,052	207,972	172,438	38,118	597,580
Cost of contractual services	-	1,409,312	-	175,699	1,585,011
Utilities	6,409	7,894	9,326	-	23,629
Repair and maintenance	31,407	431,137	5,744	-	468,288
Supplies	74,348	7,154	14,660	-	96,162
Professional services	119,700	479,239	37,068	394	636,401
Other expenses	26,815	116,347	21,887	6,876	171,925
Depreciation	78,512	46,339	105,357	-	230,208
Total Operating Expenses	516,243	2,705,394	366,480	221,087	3,809,204
Operating Income (Loss)	143,792	18,894	121,519	(1,274)	282,931
NON-OPERATING REVENUES (EXPENSES)					
Interest and penalties	2,156	64,256	4,061	19	70,492
Developer fees	-	1,451	3,810	-	5,261
Interest expense	(51,703)	-	(134,031)	-	(185,734)
Total Non-Operating Revenues (Expenses)	(49,547)	65,707	(126,160)	19	(109,981)
Income (Loss) Before Transfers	94,245	84,601	(4,641)	(1,255)	172,950
Transfers in	14,625	57,876	120,000	-	192,501
Transfers out	(4,875)	(238,076)	(120,000)	(10,000)	(372,951)
Change in Net Position	103,995	(95,599)	(4,641)	(11,255)	(7,500)
Total Net Position - Beginning (Restated)	2,558,133	4,593,910	1,908,401	23,355	9,083,799
Total Net Position - Ending	\$2,662,128	\$4,498,311	\$1,903,760	\$ 12,100	\$9,076,299

The accompanying notes are an integral part of these financial statements.

CITY OF BIGGS, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Major Funds			Nonmajor	Total
	Sewer	Electric	Water	Solid Waste	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 658,121	\$2,579,981	\$ 487,827	\$ 218,633	\$3,944,562
Payments to suppliers	(540,717)	(2,452,129)	(89,175)	(183,007)	(3,265,028)
Payments to employees	(151,866)	(185,509)	(148,718)	(18,229)	(504,322)
Net Cash Provided (Used) by Operating Activities	(34,462)	(57,657)	249,934	17,397	175,212
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants and other receipts	-	27,924	3,810	-	31,734
Interfund loans repaid/received	1,711,263	(1,653,668)	(141,315)	(7,280)	(91,000)
Net Cash Provided (Used) by Noncapital Financing Activities	1,711,263	(1,625,744)	(137,505)	(7,280)	(59,266)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(4,268,389)	-	(73,692)	-	(4,342,081)
Proceeds from long-term debt	3,868,787	-	-	-	3,868,787
Principal paid on capital debt	(80,585)	-	(60,000)	-	(140,585)
Interest paid on capital debt	(50,550)	-	(134,531)	-	(185,081)
Net Cash Provided (Used) for Capital and Related Financing Activities	(530,737)	-	(268,223)	-	(798,960)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends and other	2,156	64,256	4,061	19	70,492
Net Cash Provided (Used) by Investing Activities	2,156	64,256	4,061	19	70,492
Net Increase (Decrease) in Cash and Cash Equivalents	1,148,220	(1,619,145)	(151,733)	10,136	(612,522)
Balances - Beginning of the Year	(412,463)	2,347,042	645,566	(1,640)	2,578,505
Balances - End of the Year	\$ 735,757	\$ 727,897	\$ 493,833	\$ 8,496	\$1,965,983
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 143,792	\$ 18,894	\$ 121,519	\$ (1,274)	\$ 282,931
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	78,512	46,339	105,357	-	230,208
Decrease (increase) in:					
Accounts receivable	(1,914)	(22,928)	(172)	(1,181)	(26,195)
Prepaid expenses	-	(123,327)	-	-	(123,327)
Increase (decrease) in:					
Accounts payable	(282,286)	(1,356)	(742)	(64)	(284,448)
Deposits payable	-	1,948	-	-	1,948
Compensated absences	1,303	1,826	1,213	206	4,548
OPEB liability	13,723	12,067	10,350	710	36,850
Net pension liability	12,408	8,880	12,409	19,000	52,697
Net Cash Provided (Used) by Operating Activities	\$ (34,462)	\$ (57,657)	\$ 249,934	\$ 17,397	\$ 175,212

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL STATEMENTS

Notes to Basic Financial Statements

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CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1: Financial Reporting Entity and Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Biggs was incorporated 1903. The City operates under a Council-Manager form of government and provides services to residents and businesses in many areas including police and fire protection (contracted with the county and state), street maintenance, planning and zoning, building construction inspection, parks and recreation, sewer, electricity (power supply contracted through a JPA), water, and general administrative services.

Joint Powers Authorities (“JPAs”)

The City is associated with three JPAs. These organizations do not meet the criteria for inclusion as a component unit of the City. Additional information is presented in Note 12 to the financial statements. These organizations are:

- ❖ Northern California Power Agency (NCPA)
- ❖ Small Cities Organized Risk Effort (SCORE)
- ❖ California Joint Powers Risk Management Authority (CJPRMA)

Basis of Presentation

Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities. They contain information on all the activities of the primary government. Most effects of interfund activities have been eliminated from these statements. The government-wide statements for the primary government are separated based on the predominance of the type of revenues that support them. Governmental activities are normally supported by taxes and intergovernmental revenues, while business-type activities receive a significant portion of revenues from fees and charges for services.

Interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government’s business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities is presented to show the extent that program revenues of a given activity support direct expenses. Direct expenses are those that can clearly be associated with a particular activity or program. Program revenues are: (1) charges to customers or others who purchase, use or directly benefit from the services or goods provided by a given activity or segment or (2) grants or other contributions that are restricted to operating or capital needs of a specific activity or segment. General revenues are those revenues like taxes and other items that are not properly reported as program revenues.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate self-balancing set of accounts for its assets, other debits, liabilities, other credits, equity, revenue and expenditures or expenses, as appropriate.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1: Financial Reporting Entity and Summary of Significant Accounting Policies *(Continued)*

Basis of Presentation *(Continued)*

Governmental Funds – Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Proprietary Funds – account for operations

- (1) that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or
- (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Major Funds

The **General Fund** is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as public safety, community development, and recreation and culture services.

The City reports the following major proprietary funds:

The **Sewer Fund** is an enterprise fund used to account for activity related to providing customers with sewer service and billing for service provided by the City.

The **Electric Fund** is an enterprise fund used to account for activity related to providing customers with electricity service and billing for service provided by the City.

The **Water Fund** is an enterprise fund used to account for activity related to providing customers with water service and billing for service provided by the City.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1: Financial Reporting Entity and Summary of Significant Accounting Policies *(Continued)*

Measurement Focus, Basis of Accounting, and Financial Statement Presentation *(Continued)*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues as available if they are collected within sixty days of the end of the current fiscal period, except for sales tax which has a ninety-day availability period. Expenditures generally are 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.

Property taxes, sales taxes, transient occupancy tax, grants, licenses, fees, charges and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

Assets, Liabilities, and Fund Balance and Net Position

Cash and Cash Equivalents. The City pools cash of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash.

Fair Value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Acquisition Value. The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1: Financial Reporting Entity and Summary of Significant Accounting Policies *(Continued)*

Assets, Liabilities, and Fund Balance and Net Position *(Continued)*

General Receivables and Property Taxes Receivable

The City records an allowance for doubtful accounts on general accounts receivable based on the experience method. Butte County Tax Calendar:

July 1	Beginning of fiscal year and mailing of unsecured property tax bills. Revised due date for 2020-21 Unsecured Property Taxes - The billing timeline for unsecured property taxes has been extended. For this year only, the unsecured property tax bills will be mailed in August and will be due by September 30th (as opposed to the traditional August 31st due date).
September 30	Unsecured property tax payment is due. Revised due date for 2020-21 Unsecured Property Taxes - The billing timeline for unsecured property taxes has been extended. For this year only, the unsecured property tax bills will be mailed in August and will be due by September 30th (as opposed to the traditional August 31st due date). A 10% penalty is added to total due after 5:00 p.m. Additionally, interest begins to accrue at 1.5% per month and additional fees are added to cover the cost of the lien process (\$21.00 for the courtesy lien notice and \$15.00 per lien notice recorded)
October	Secured property tax bills are mailed.
November 1	First secured property tax installment is due and delinquent unsecured accounts accrue additional monthly penalties of 1.5% until paid.
December 10	Final day to pay the first installment of secured property taxes. A 10% penalty is added after 5:00 p.m. Online payments, however, will be accepted as timely if paid by midnight on the final due date.
February 1	Second installment of secured property taxes is due.
April 10	Final day to pay the second installment of secured property taxes. A 10% penalty and an additional \$31.00 charge is added to the bill after 5:00 p.m. Online payments, however, will be accepted as timely if paid by midnight on the final due date. If you are on an Installment plan for defaulted taxes, this is the final day to make the annual 20% (plus interest) payment and any current or supplemental taxes due.
May	Reminder notices are mailed to property owners with outstanding current secured taxes.
June 30	End of the fiscal year and the last day to pay delinquent property taxes for the current fiscal year. Payments must be received by the Treasurer-Tax Collector's Office by 5:00 pm. June 30 Postmarks are not accepted.
July 1	Delinquent secured property tax accounts are transferred to delinquent tax rolls. Additional monthly penalties accrue at 1.5% per month on any unpaid prior year balance. A \$15.00 redemption fee is also added to the bill.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1: Financial Reporting Entity and Summary of Significant Accounting Policies *(Continued)*

Assets, Liabilities, and Fund Balance and Net Position *(Continued)*

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such depreciation has been provided over the estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	5 – 20 years
Structures and Improvements	60 years
Infrastructure	30-60 years

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Pension Plan. All full-time and certain part-time City employees are members of the State of California Public Employees' Retirement System (PERS), an agent multiple-employer defined benefit pension plan. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually as of June 30, by the PERS's actuary.

Vacation and Sick Pay. Vacation pay is vested to the employees as it accrues and is payable upon retirement or termination. Sick leave, however, does not vest to the employees and is payable only when sick leave is taken. Unused vacation and sick leave have been accrued in the accompanying government-wide financial statements and the accompanying proprietary fund financial statements.

Unearned Revenue. In the government-wide financial statements, unearned revenue is recorded for transactions for which revenues have not been earned. In the fund financial statements, unearned revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unearned revenues when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1: Financial Reporting Entity and Summary of Significant Accounting Policies *(Continued)*

Assets, Liabilities, and Fund Balance and Net Position *(Continued)*

Long-Term Obligations. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which does not materially differ from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Other Postemployment Benefits (OPEB). The City of Biggs sponsors, under a defined benefit plan, retiree healthcare plan to qualifying employees retiring directly from the City. The benefit level is determined by date of hire and length of service and bargaining agreements. The City has contracted for medical coverage to be provided through an agent multiple-employer CalPERS Healthcare (PEMHCA) plan.

Fund Balance. In the fund financial statements, governmental funds aggregate amounts for five classification of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications; restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Assigned fund balance. This classification reflects the amounts constrained by the City Council's "intent" to be used for specific purposes but are neither restricted nor committed. The City Council and City Manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General fund. It is also used to report negative fund balances in other governmental funds.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1: Financial Reporting Entity and Summary of Significant Accounting Policies *(Continued)*

Assets, Liabilities, and Fund Balance and Net Position *(Continued)*

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, the unrestricted resources—committed, assigned, and unassigned—in order as needed.

Net Position. For government-wide reporting as well as in proprietary funds, fund equity is called net position. Net position is comprised of three components: net investment in capital assets; restricted; and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows or resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Tap and similar fees have been reported as non-operating revenues in the City's statement of revenue expense and changes in net position for proprietary funds and as capital grants and contributions in the statement of activities and changes in net position.

NOTE 2: Cash and Cash Equivalents

As of June 30, 2020, the City's balances are as follows:

Cash and cash equivalents:	
Cash on hand	\$ 400
Cash with financial institution	2,272,474
Cash with fiscal agent - Mid America - 125 Plan	8,399
Cash with fiscal agent - NCPA GOR Reserve	622,397
Cash with fiscal agent - CAISO Reserve	105,500
Local Agency Investment Fund ("LAIF")	<u>1,180,203</u>
Total Cash	<u>\$ 4,189,373</u>

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

Policies and Practices:

INVESTMENT TYPE	MAX. MATURITY	MAX % OF PORTFOLIO	MIN QUALITY	GOV'T CODE §s
Local Agency Investment Fund ("LAIF")	N/A	None	None	16429.1

Custodial Credit Risk. There is a risk that, in the event of a bank failure, the City's deposits may not be returned. The City's deposit policy requires that all deposits are covered by the Federal Depository Insurance Corporation ("FDIC") or are collateralized as required by Statutes of the State. As of June 30, 2020, the carrying amount of the City's bank deposits was \$2,280,872, and the respective bank balances totaled \$2,738,834. Of the total bank balance, \$258,399 was insured through the FDIC. The remaining \$2,480,435 was collateralized with pooled securities held by the financial institutions' trust departments. These securities are held in the name of the financial institution and not that of the City.

Credit Risk. As of June 30, 2020, the LAIF pool consisted of debt securities and the ratings ranged from AAA by Standard & Poor's.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The effective duration of the LAIF portfolio at June 30, 2020 was 191 days.

NOTE 3: Accrued Receivables

	General Fund	Non-Major Govt Funds	Sewer	Electric	Water	Solid Waste	Total
Accounts receivable	\$ 55,935	\$ -	\$ 92,528	\$ 313,246	\$ 69,329	\$ 30,024	\$ 561,062
Less: allowance for doubtful accounts	-	-	(701)	(2,691)	(525)	(236)	(4,153)
Interest	4,306	-	-	-	-	-	4,306
Property tax	8,435	-	-	-	-	-	8,435
Sales tax	1,400	-	-	-	-	-	1,400
SCO	-	26,470	-	-	-	-	26,470
Tax delay	8,333	-	-	-	-	-	8,333
Franchise fee	3,242	-	-	-	-	-	3,242
Other	460	-	-	-	-	-	460
Loans receivable	-	834,018	-	-	-	-	834,018
Total	82,111	860,488	91,827	310,555	68,804	29,788	1,443,573

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4: Capital Assets

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

	Balance July 01, 2019	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2020
Governmental Activities					
Capital Assets,					
Not Being Depreciated:					
Land	\$ 168,777	\$ -	\$ -	\$ -	\$ 168,777
Construction in progress	-	235,715	(85,121)	85,121	235,715
Total Capital Assets, Not Being Depreciated	168,777	235,715	(85,121)	85,121	404,492
Capital Assets, Being Depreciated:					
Buildings and improvements	1,871,619	-	-	-	1,871,619
Machinery and equipment	133,896	52,152	(49,899)	-	136,149
Vehicles	219,744	-	-	-	219,744
Infrastructure	5,747,152	85,121	-	-	5,832,273
Total Capital Assets, Being Depreciated	7,972,411	137,273	(49,899)	-	8,059,785
Less Accumulated Depreciation For:					
Buildings and improvements	(675,011)	(55,225)	-	-	(730,236)
Machinery and equipment	(73,294)	(14,015)	47,274	-	(40,035)
Vehicles	(195,652)	(6,898)	-	-	(202,550)
Infrastructure	(625,038)	(109,183)	-	-	(734,221)
Total Accumulated Dep.	(1,568,995)	(185,321)	47,274	-	(1,707,042)
Total Capital Assets, Being Depreciated, Net	6,403,416	(48,048)	(2,625)	-	6,352,743
Total Gov. Activities, Net	\$ 6,572,193	\$ 187,667	\$ (87,746)	\$ 85,121	\$ 6,757,235

Depreciation was charged as follows:

General government	\$ 17,634
Public works	11,898
Culture and recreation	46,606
Streets	109,183
Total -- Governmental Functions	<u>\$ 185,321</u>

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4: Capital Assets, (Continued)

Business-Type Activities	Balance July 01, 2019	Additions	Adjustments/ Transfers	Balance June 30, 2020
Capital Assets, Not Being Depreciated:				
Land	\$ 2,759,996	\$ -	\$ -	\$ 2,759,996
Construction in progress	1,513,187	4,326,028	2,897,341	8,736,556
 Total Capital Assets, Not Being Depreciated	 4,273,183	 4,326,028	 2,897,341	 11,496,552
Capital Assets, Being Depreciated:				
Buildings and improvements	167,000	-	-	167,000
Machinery and equipment	1,564,938	-	-	1,564,938
Vehicles	51,318	-	-	51,318
Infrastructure	10,605,503	-	(2,897,341)	7,708,162
 Total Capital Assets, Being Depreciated	 12,388,759	 -	 (2,897,341)	 9,491,418
Less Accumulated Depreciation For:				
Buildings and improvements	(105,862)	(726)	-	(106,588)
Machinery and equipment	(1,084,042)	(46,338)	-	(1,130,380)
Vehicles	(24,190)	-	-	(24,190)
Infrastructure	(2,702,600)	(183,144)	-	(2,885,744)
 Total Accumulated Depreciation	 (3,916,694)	 (230,208)	 -	 (4,146,902)
 Total Capital Assets, Being Depreciated, Net	 8,472,065	 (230,208)	 (2,897,341)	 5,344,516
 Total Business-Type Activities, Net	 \$12,745,248	 \$ 4,095,820	 \$ -	 \$16,841,068

Depreciation was charged as follows:

Sewer	\$ 78,512
Electric	46,339
Water	105,357
 Total -- Business-Type Functions	 <u>\$ 230,208</u>

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 5: Interfund Balances and Activity

Due To/From Other Funds

The City interfund balances are a result of covering negative cash as well as budget activity. The following are due from and due to balances as of June 30, 2020:

	Due From Other Funds	Due To Other Funds	Explanation
Governmental Funds			
General Fund	\$ 297,088	\$ -	Negative cash balance
General Fund	75,000	-	Budget allocations
14 SR2S Project	-	250	Negative cash balance
TDA LTF /SB-325	-	22,102	Negative cash balance
CFD N BIGGS EST	-	1,550	Negative cash balance
17 SR2S Cycle 2	-	20,847	Negative cash balance
19 SR2S Cycle 4	-	75,021	Negative cash balance
2nd St CMAQ Con	-	176,343	Negative cash balance
TDA STA /SB-620	22,102	-	Negative cash balance
TDA STA /SB-620	-	22,102	Negative cash balance
Bridge Reserve	-	2,525	Negative cash balance
Blding/Equipmnt	2,500	-	Budget allocations
Fire Engine Rpl	6,000	-	Budget allocations
St Maint Reserv	7,500	-	Budget allocations
Total	<u>\$ 410,190</u>	<u>\$ 320,740</u>	

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

Due To/From Other Funds, Continued

Enterprise Funds

Sewer Fund	\$ 4,875	\$	- Budget allocations
			Negative cash balance and cash
Sewer Imp Fund	154,313	200,000	flow needs of the WWTP project
Sewer Bond Res.	53,303		- Negative cash balance
			Negative cash balance and cash
WWTP Phase Two	-	3,691,155	flow needs of the WWTP project
SWRCB Ln Reserv	35,113		- Negative cash balance
SWRCB Ln Reserv	4,875		- Budget allocations
Sewer Dev Impac	237,163		- Negative cash balance
Sewer Fund Total	489,642	3,891,155	
			Negative cash balance and cash
Electric Fund	1,939,576		- flow needs of the WWTP project
Electric Fund	-	123,913	Budget allocations
Public Benefits	224,471		- Negative cash balance
GHG Credits	470,244		- Negative cash balance
Electric Imp.	608,642		- Negative cash balance
Electric Imp.	28,163		- Budget allocations
Elect Dev Impac	26,285		- Negative cash balance
Electricity Fund Total	3,297,381	123,913	
Water Fund	-	60,000	Budget allocations
Water Imp.	60,000		- Budget allocations
Water Dev Impac	141,315		- Negative cash balance
Water Reserve Fund	176,235		- Negative cash balance
Water Tank	-	176,235	Negative cash balance
Water Fund Total	377,550	236,235	
Solid Waste	2,280		- Negative cash balance
Solid Waste	-	5,000	Budget allocations
Total	\$ 4,166,853	\$ 4,256,303	

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 5: Interfund Balances and Activity, (Continued)

Transfers

Transfers are a result of indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and reallocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Explanation</u>
Governmental Funds			
General Fund	\$ 150,000	\$ -	Budget allocation
Blding / Equipmnt	5,000	-	Budget allocation
Fire Engine Rpl	12,000	-	Budget allocation
St Maint Reserv	15,000	-	Budget allocation
CFD N BIGGS EST	-	1,550	Budget allocation
Total Governmental Funds	182,000	1,550	
Proprietary Funds			
Sewer Fund	4,875	4,875	Budget allocation
SWRCB Ln Reserv	9,750	-	Budget allocation
Electric Fund	1,550	238,076	Budget allocation
Electric Imp.	56,326	-	Budget allocation
Water Fund	-	120,000	Budget allocation
Water Imp.	120,000	-	Budget allocation
Solid Waste	-	10,000	Budget allocation
Total Proprietary Funds	192,501	372,951	
Total	\$ 374,501	\$ 374,501	

NOTE 6: Accrued Payables

	<u>General Fund</u>	<u>Non-Major Govt Funds</u>	<u>Govt Activities</u>	<u>Sewer</u>	<u>Electric</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Total</u>
Vendors	\$ 16,630	\$ 1,431	\$ -	\$ 21,713	\$ 6,925	\$ 4,825	\$ 97	\$ 51,621
Payroll	3,860	1,611	-	3,680	4,092	3,677	457	17,377
Interest	2,800	-	-	18,626	-	33,000	-	54,426
Total	\$ 23,290	\$ 3,042	\$ -	\$ 44,019	\$ 11,017	\$ 41,502	\$ 554	\$ 123,424

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 7: Unearned Revenue

At June 30, 2020, the components of unearned revenue reported were as follows:

94 CDBG	\$ 27,464
01 STBG Loans	233,577
2004 HOME 0707	452,291
2004 HOME 3073	119,816
Curb/Gutter Ln	870
	<u>\$ 834,018</u>

NOTE 8: Long-Term Liabilities

Long-term debt for the year ended June 30, 2020, was as follows:

	Restated				
	Balance			Balance	Due in
	July 01, 2019	Additions	Deletions	June 30, 2020	One Year
Governmental Activities					
Loans	\$ 230,000	\$ -	\$ (6,000)	\$ 224,000	\$ 6,000
OPEB Liability	3,117	29,883	-	33,000	-
Net Pension Liability					
Safety plan	96,116	40,884		137,000	-
Miscellaneous Plan	135,318	-	(91,318)	44,000	-
Compensated Absences	31,227	3,329	-	34,556	-
Total Government Activities	<u>\$ 495,778</u>	<u>\$ 74,096</u>	<u>\$ (97,318)</u>	<u>\$ 472,556</u>	<u>\$ 6,000</u>
Business-Type Activities					
Loans	\$ 5,718,563	\$ 3,868,787	\$ (140,585)	\$ 9,446,765	\$ 147,622
OPEB Liability	9,150	36,850	-	46,000	-
Net Pension Liability, Miscellaneous	449,253	102,747	-	552,000	-
Compensated Absences	72,202	4,547	-	76,749	-
Total Business-Type Activities	<u>\$ 6,249,168</u>	<u>\$ 4,012,931</u>	<u>\$ (140,585)</u>	<u>\$ 10,121,514</u>	<u>\$ 147,622</u>

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

At June 30, 2020, loans consisted of the following:

	Government Activities	Business-Type Activities
State Water Resources Control Board Loan, issued proceeds in the amount of \$4,685,544. Upon meeting conditional requirements, the loan proceeds will be forgiven. Loan proceeds were used for wastewater system expansion.	\$ -	\$ 4,685,544
United States Department of Agriculture Loan, issued in the amount of \$160,530, dated February 9, 2000, payable in annual installments of \$1,530 to \$8,400, with an interest rate of 4.50% and maturity of September 1, 2039. Loan proceeds were used for wastewater system improvements.	-	113,400
United States Department of Agriculture Loan, issued in the amount of \$133,000, dated February 9, 2000, payable in annual installments of \$1,700 to \$5,900, with an interest rate of 3.25% and maturity of September 1, 2039. Loan proceeds were used for wastewater system improvements.	-	87,100
United States Department of Agriculture Loan, issued in the amount of \$3,660,000, dated November 9, 2006, payable in annual installments of \$35,000 to \$190,000, with an interest rate of 4.375% and maturity of April 1, 2046. Loan proceeds were used for wastewater system improvements.	-	3,000,000
United States Department of Agriculture Loan, issued in the amount of \$480,000, dated February 9, 2000, payable in annual installments of \$4,500 to \$25,000, with an interest rate of 4.50% and maturity of September 1, 2039. Loan proceeds were used for wastewater system improvements.	-	339,300
State Water Resources Control Board Capital Lease Agreement, in the approved amount of \$1,469,102, as amended September 11, 2015, payable in one annual installment of \$75,690 and 19 annual installments of \$90,672, with an interest rate of 2.10% and a maturity date of May 31, 2035. Loan proceeds are and will be used for wastewater system improvements.	-	1,221,421
United States Department of Agriculture Loan, issued in the amount of \$300,000, dated January 12, 2001, payable in annual installments of \$2,000 to \$17,000, with an interest rate of 5.00% and maturity of September 1, 2040. Loan proceeds were used for the purchase of property for a public works facility.	224,000	-
Total Loans	\$ 224,000	\$ 9,446,765

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8: Long-Term Liabilities (Continued)

Long-Term Liabilities (Continued)

The annual maturities for the years subsequent to June 30, 2020, are as follows:

Year Ending June 30,	USDA Loan 91-08		
	Principal	Interest	Total
2021	\$ 6,000	\$ 11,050	\$ 17,050
2022	7,000	10,725	17,725
2023	7,000	10,375	17,375
2024	7,000	10,025	17,025
2025	8,000	9,650	17,650
2026 - 2030	44,000	42,000	86,000
2031 - 2035	56,000	29,500	85,500
2036 - 2040	72,000	13,600	85,600
2041	17,000	425	17,425
	<u>\$ 224,000</u>	<u>\$ 137,350</u>	<u>\$ 361,350</u>

Year Ending June 30,	USDA Loans									
	91-08		92-01		92-03		92-05		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2021	\$ 65,000	\$ 131,906	\$ 10,800	\$ 15,026	\$ 3,600	\$ 5,022	\$ 3,200	\$ 2,779	\$	\$ 237,333
2022	65,000	129,063	11,300	14,528	3,800	4,856	3,300	2,673		234,520
2023	65,000	126,219	11,800	14,009	4,000	4,680	3,400	2,564		231,672
2024	70,000	123,375	12,300	13,466	4,100	4,498	3,500	2,452		233,691
2025	75,000	120,313	12,900	12,899	4,300	4,309	3,600	2,337		235,658
2026 - 2030	430,000	549,500	73,800	55,035	24,600	18,392	19,800	9,825		1,180,952
2031 - 2035	540,000	445,375	91,800	36,477	30,700	12,193	23,100	6,346		1,185,991
2036 - 2040	670,000	316,969	114,600	13,352	38,300	4,466	27,200	2,265		1,187,152
2041 - 2045	830,000	157,063	-	-	-	-	-	-		987,063
2046	190,000	8,969	-	-	-	-	-	-		198,969
	<u>\$3,000,000</u>	<u>\$2,108,752</u>	<u>\$ 339,300</u>	<u>\$ 174,792</u>	<u>\$ 113,400</u>	<u>\$ 58,416</u>	<u>\$ 87,100</u>	<u>\$ 31,241</u>		<u>\$5,913,001</u>

Year Ending June 30,	State Water Resource Control Board		
	Principal	Interest	Total
2021	\$ 65,022	\$ 25,650	\$ 90,672
2022	66,388	24,284	90,672
2023	67,782	22,890	90,672
2024	69,205	21,467	90,672
2025	70,658	20,014	90,672
2026 - 2030	376,183	77,177	453,360
2031 - 2035	417,376	35,984	453,360
2036	88,807	1,865	90,672
	<u>\$1,221,421</u>	<u>\$ 229,331</u>	<u>\$1,450,752</u>

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

Note 9: Defined Benefit Pension Plan

Plan Description

The Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF C) is administered by the CalPERS. The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. Each individual employer rate plan generally has less than 100 active members.

The Plan was established to provide retirement, death and disability benefits to public agency rate plans with generally less than 100 active members. The benefit provisions for PERF C employees are established by statute. A full description regarding the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information for the respective rate plan is listed in the respective rate plan's June 30, 2018 Annual Valuation Report ("funding valuation"). Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website at <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided and Contributions

Per the City of Biggs June 30, 2017 Annual Actuarial Valuation Reports for the respective pension plans, the following are the benefits and employee and employer contribution requirements

Member Category	Benefit Group		
	Misc. – Classic	Misc. – PEPRA	Safety – Classic
Benefit Formula	2% @ 60	2% @ 62	2% @ 55
Social Security	Yes	Yes	Yes
(Full/Modified)	Modified	Full	Modified
Employee Contribution Rate	7.00%	6.25%	N/A
Final Avg. Comp Period	3 Yr.	3 Yr.	3 Yr.
Sick Leave Credit	Yes	Yes	Yes
Non-Industrial Disability	Standard	Standard	Standard
Industrial Disability	No	No	Yes
Pre-Retirement Death Benefits			
Optional Settlement 2	Yes	Yes	Yes
Special	No	No	Yes
Post-Retirement Death Benefits			
Lump Sum	\$500	\$500	\$500
COLA	2%	2%	2%
Employer Contribution Rate	8.081%	6.985%	0.0%
Employer Unfunded Liability	\$43,718	\$374	\$16,811
Total Employer Contributions:	\$73,690	\$3,754	\$16,811

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9: Employees' Retirement Plan *(Continued)*

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

At June 30, 2020, the City reported liabilities of \$733,000 for its proportionate shares of the net pension liabilities. The schedule of employer allocations for components of net pension liability provides allocation factors by employer for rate plans within the miscellaneous and safety risk pools based on the following allocation methodology:

The schedule of employer allocations for components of net pension liability includes two ratios:

- 1) Actuarial Accrued Liability – Determined based on the actuarial accrued liability from the most recent actuarial valuation report as of June 30, 2018 used for funding purposes.
- 2) Market Value of Assets – Determined based on the sum of the market value of assets from the most recent actuarial valuation report as of June 30, 2018 used for funding purposes plus supplemental payments made by employers during the current measurement period to reduce their unfunded actuarial accrued liabilities.

The schedule of employer allocations for components of net pension liability is based on actuarial valuation reports that are one year in arrears. As such, there will be a one-year lag between the time an employer enters the Plan and the fiscal year the employer is first included on the schedule of employer allocations for components of net pension liability. Employers joining the Plan during the fiscal year ended June 30, 2019, will be included in the schedule of employer allocations for components of net pension liability as of and for the fiscal year ended June 30, 2020.

The employers' proportionate share percentages of the miscellaneous and safety risk pools were first determined at the rate plan level. The employers' total proportion of the respective miscellaneous and safety risk pools reflects the sum of the proportions of the respective miscellaneous and safety rate plans.

When applying the allocation methodology to the collective miscellaneous or safety risk pool pension amounts, employers should determine proportionate shares using the employer allocation factors as follows:

- 1) Total Pension Liability (TPL) – Allocate based on the employer's share of the actuarial accrued liability.
- 2) Fiduciary Net Position (FNP) – Allocate based on the employer's share of the market value of assets plus additional payments.
- 3) Net Pension Liability (NPL) – After completing the above calculations, subtract FNP from TPL to calculate the employer's NPL.
- 4) Deferred Outflows of Resources, Deferred Inflows of Resources – Allocate based on the employer's share of the net pension liability as noted in 3) above.
- 5) Pension Expense – After completing the above calculations, calculate the employer's share of collective pension expense based on the employer's share of changes in net pension liability, changes in deferred outflows and deferred inflows of resources, and the employer's contributions for the fiscal year ended June 30, 2019. The schedule of collective pension amounts does not reflect employer-specific amounts such as changes in proportion and employer contributions to PERF C subsequent to the measurement date. Appropriate treatment of such amounts is the responsibility of the employers.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9: Employees' Retirement Plan (Continued)

An employer's proportionate share of pension amounts for PERF C equals the sum of the employer's proportionate shares of pension amounts for the respective miscellaneous and safety risk pools.

	<u>Jun. 30, 2019</u>	<u>Jun. 30, 2018</u>	<u>Difference</u>
Misc. Net Pension Liability Allocation Basis	0.0001493	0.0001447	0.0000046
Safety Net Pension Liability Allocation Basis	0.0000219	0.0000231	(0.0000011)

For the year ended June 30, 2020, the City recognized pension expense of \$33,353. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Changes of Assumptions	\$ 18,000	\$ 5,000	\$ 23,000
Differences between Expected and Actual Experience	38,000	9,000	47,000
Differences between Projected and Actual Investment Earnings	(10,000)	(2,000)	(12,000)
Differences between Employer's Contributions and Proportionate Share of Contributions	(34,000)	(1,000)	(35,000)
Change in Employer's Proportion	21,000	(6,000)	15,000
Pension Contributions Made Subsequent to Measurement Date	75,000	17,000	92,000
Total	<u>\$ 108,000</u>	<u>\$ 22,000</u>	<u>\$ 130,000</u>

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

Year ended June 30:	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2021	111,000	\$ 23,000	\$ 134,000
2022	(8,000)	(2,000)	(10,000)
2023	3,000	1,000	4,000
2024	2,000	-	2,000
Total	<u>\$ 108,000</u>	<u>\$ 22,000</u>	<u>\$ 130,000</u>

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9: Employees' Retirement Plan *(Continued)*

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2019 measurement period was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019.

The collective total pension liability was based on the following assumptions:

Investment rate of return	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table ¹	Derived using CalPERS' Membership Data for all Funds Contract COLA up to 2.50% until Purchasing Power
Post-retirement benefit increase	Protection Allowance Floor on Purchasing Power applies

¹ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

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

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

Asset class¹	Assumed Asset Allocation	Real Return Years 1 - 10²	Real Return Years 11 +³
Global equity	50.00 %	4.80 %	5.98 %
Fixed income	28.00	1.00	2.62
Inflation assets	-	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)

¹ In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.00% used for this period.

³ An expected inflation of 2.92% used for this period.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

Discount Rate

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

Sensitivity of the City of Biggs’ Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability calculated using a discount rate of 7.15%, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate (\$ expressed in thousands):

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's misc. proportionate share of the net pension liability	\$ 977,000	\$ 596,000	\$ 285,000
District's safety proportionate share of the net pension liability	191,000	137,000	93,000

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report at <https://www.calpers.ca.gov/docs/forms-publications/cafr-2019.pdf>.

NOTE 10: Post-Employment Health Care Benefits

Plan Description

The City provides employees and retirees and their surviving family members the health benefits plan provided pursuant to the Public Employees' Medical and Hospital Care Act (“PEMHCA”), as set forth in Government Code §22750 – 22948. The plan is a single-employer, defined benefit OPEB plan administered by the City. Government Code §22777 provides that “health benefit plan” means any program or entity that provides, arranges, pays for, or reimburses the cost of health benefits for employees and retirees and their surviving family members with health benefits provided through the California Public Employee’s Pension System (“CalPERS”). ***No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.***

Benefits Provided

The plan provides healthcare benefits for retirees and their dependents. The benefit terms provide for payment of the statutory minimum, \$139 per month as of June 30, 2020, of health insurance premiums for retirees.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10: Post-Employment Health Care Benefits *(Continued)*

Employees covered by benefit terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	8
Total	10

Total OPEB Liability

The City's total OPEB liability of \$79,000 was measured as of June 30, 2020, and was determined in place of an actuarial valuation, the total OPEB liability was measured using the alternative measurement method discussed in GASB, Statement, 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, paragraphs 225 and 226.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate ¹	2.66%
Benefit Increase Rate ²	2.20%
Inflation (prior 5-year average of CalPERS minimum contribution increases)	1.20%

¹ <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-municipal-bond-20-year-high-grade-rate-index/#data>

² https://data.bls.gov/timeseries/CUUR0000SA0L1E?output_view=pct_12mths

Mortality rates and probability rates were based on the CalPERS tables (as appropriate to respective risk pools) located at <https://www.calpers.ca.gov/docs/public-agencies-schools-assumption-methods.xlsx>.

Changes in the Total OPEB Liability

Balances at July 01, 2019	\$ 12,267
Changes for the year:	
Service cost	67,968
Interest	2,101
Benefit payments	(3,336)
Net changes	66,733
Balances at June 30, 2020	\$ 79,000

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10: Post-Employment Health Care Benefits *(Continued)*

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.0 percent) or 1-percentage-point higher (5.0 percent) than the current discount rate:

	1% Decrease (1.66%)	Discount Rate (2.66%)	1% Increase (3.66%)
District's proportionate share of the net pension liability	\$ 78,000	\$ 79,000	\$ 80,000

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11: Fund Balance

	General Fund	Non-Major Govt Funds	Total
Restricted			\$ -
Gas Tax 2032	\$ -	\$ 82,589	82,589
Gas Tax	-	90,435	90,435
Drainage-Develo	-	149,055	149,055
TDA LTF /SB-325	-	111,025	111,025
RSTP/STIP Excha	-	150,199	150,199
HOME Grant	-	105,618	105,618
'39 Fire Truck	-	9,439	9,439
82-CDBG Grant	-	928	928
86-HUD Grant	-	24,522	24,522
CDBG Unrestrict	-	15,714	15,714
CDGB ProgInclII	-	118,823	118,823
01 STBG-1797	-	23,665	23,665
CFD N BIGGS EST	-	8,920	8,920
SunWest Packagi	-	4,797	4,797
Betzler/Summit	-	8,847	8,847
HomeTown Cele	-	82	82
SunWest Expans	-	11,283	11,283
Restricted Total	-	915,941	915,941
Assigned			
Blding/Equipmnt	-	9,901	9,901
Fire Engine Rpl	-	243,696	243,696
Detention Basin	-	16,813	16,813
St Maint Reserv	-	268,802	268,802
Pub Wks Fac Res	-	17,998	17,998
Traffic Congest	-	6,704	6,704
Roads-Dev Impac	-	116,375	116,375
Parks-Rec, Dev.	-	97,063	97,063
Gen Govt-Dev Im	-	10,769	10,769
Police-Dev Impa	-	4,121	4,121
Fire-Dev Impact	-	14,801	14,801
Assigned Total	-	807,043	807,043
Unassigned			
Unassigned fund balance	947,091	-	947,091
Deficit fund balance			
14 SR2S Project	-	(250)	(250)
17 SR2S Cycle 2	-	(20,847)	(20,847)
19 SR2S Cycle 4	-	(75,021)	(75,021)
2nd St CMAQ Con	-	(183,604)	(183,604)
Bridge Reserve	-	(2,525)	(2,525)
Unassigned Total	947,091	(282,247)	664,844
Total	\$ 947,091	\$ 1,440,737	\$ 2,387,828

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 12: JPAs

The City is a member of three JPAs. The first is the NCPA, a California Joint Action Agency, was established in 1968 by a consortium of locally owned electric utilities to make joint investments in energy resources that would ensure a supply of electricity for customers in its member communities. The second is SCORE for general liability, vehicle liability, workers' compensation, crime, and errors and omissions purposes. The third is CJPRMA to provide excess coverage for its members.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the City is included in these financial statements. Audited financial statements are available from the respective entities.

During the year ended June 30, 2020, the City made payments of \$1,332,080 and \$44,620 to NCPA and SCORE, respectively, CJPRMA paid through SCORE, no separate amount.

NOTE 13: Prior Period Adjustment

The prior period adjustments, as of June 30, 2020 consists of the following:

	Sewer Fund	Electricity Fund	Water Fund
Balance as of June 30, 2019	\$ 1,140,993	\$ 4,593,910	\$ 1,893,401
USDA Loan restatement (Funds 105 & 110)	(11,100)	-	15,000
State Water Resource Control Board Loan restatement (Fund 107)	1,428,240	-	-
Restated balance	<u>\$ 2,558,133</u>	<u>\$ 4,593,910</u>	<u>\$ 1,908,401</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF BIGGS, CALIFORNIA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 GENERAL FUND
 For the year ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 178,180	\$ 178,180	\$ 219,899	\$ 41,719
Licenses and permits	27,300	27,300	55,185	27,885
Fines and forfeitures	12,150	12,150	52,112	39,962
Use of money	16,200	16,200	11,306	(4,894)
Intergovernmental	341,000	341,000	379,905	38,905
Charges for services	25,500	25,500	23,442	(2,058)
Other revenues	28,570	28,570	3,382	(25,188)
Total Revenues	628,900	628,900	745,231	116,331
EXPENDITURES				
Current:				
General Government	220,279	220,279	229,242	(8,963)
Public Safety	382,744	382,744	367,726	15,018
Public Ways and Facilities	166,046	166,046	152,136	13,910
Debt service:				
Principal	17,700	17,700	6,000	11,700
Interest and other charges	-	-	11,275	(11,275)
Capital outlay	4,200	4,200	-	4,200
Total Expenditures	790,969	790,969	766,379	24,590
Excess of Revenues Over (Under) Expenditures	(162,069)	(162,069)	(21,148)	140,921
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	150,000	150,000	-
Net Change in Fund Balances	(12,069)	(12,069)	128,852	140,921
Fund Balances - Beginning	818,239	818,239	818,239	
Fund Balances - Ending	\$ 806,170	\$ 806,170	\$ 947,091	

CITY OF BIGGS, CALIFORNIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CalPERS RETIREMENT PLAN

	2020	2019	2018	2017	2016	2015
Miscellaneous Plan:						
Plan's proportion of the PERF C Net Pension Liability / (Asset)	0.0149%	0.0145%	0.0143%	0.0139%	0.0128%	0.0163%
Plan's Proportionate Share of Net Pension Liability/ (Asset)	\$ 596,000	\$ 545,369	\$ 563,753	\$ 481,247	\$ 349,977	\$ 403,165
Plan's Covered-Employee Payroll	\$ 409,606	\$ 382,835	\$ 400,223	\$ 521,330	\$ 508,363	\$ 492,302
Plan's Proportionate Share of the Net Pension Liability / (Asset) as a Percentage of its Covered-Employee Payroll	146%	142%	141%	92%	69%	82%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78%	78%	75%	76%	80%	81%
Safety Plan:						
Plan's proportion of the PERF C Net Pension Liability / (Asset)	0.0022%	0.0023%	0.0022%	0.0023%	0.0023%	0.0021%
Plan's Proportionate Share of Net Pension Liability/ (Asset)	\$ 137,000	\$ 135,318	\$ 133,432	\$ 118,420	\$ 95,603	\$ 80,327
Plan's Covered-Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan's Proportionate Share of the Net Pension Liability / (Asset) as a Percentage of its Covered-Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73%	73%	72%	73%	77%	79%

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

CITY OF BIGGS, CALIFORNIA
SCHEDULE OF PENSION PLAN CONTRIBUTIONS

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Miscellaneous Plan:						
Actuarially determined contributions	\$ 77,444	\$ 67,226	\$ 57,271	\$ 50,147	\$ 43,518	\$ 39,693
Actual contributions during the measurement period	(77,444)	(67,226)	(57,271)	(50,147)	(43,518)	(39,693)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 419,284	\$ 409,606	\$ 382,835	\$ 400,223	\$ 334,620	\$ 366,141
Contributions as a percentage of covered-employee	18%	16%	15%	13%	13%	11%
Safety Plan:						
Actuarially determined contributions	\$ 16,811	\$ 12,099	\$ 10,188	\$ 5,500	\$ 4,569	\$ 3,801
Actual contributions during the measurement period	(16,811)	(12,099)	(10,188)	(5,500)	(4,569)	(3,801)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee	n/a	n/a	n/a	n/a	n/a	n/a

CITY OF BIGGS, CALIFORNIA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Changes for the year:			
Service cost	\$ 67,968	\$ 15,514	\$ 15,514
Changes of benefit terms	2,101	-	-
Benefit payments	(3,336)	(15,514)	(15,026)
Net Changes in Total OPEB Liability	66,733	-	488
Total OPEB Liability - Beginning	12,267	12,267	11,779
Total OPEB Liability - Ending	<u>\$ 79,000</u>	<u>\$ 12,267</u>	<u>\$ 12,267</u>
Covered Payroll	\$ 409,606	\$ 382,835	\$ 400,223
Total OPEB liability as a percentage of covered payroll	19%	3%	3%

District Has No Assets Accumulated in a Trust to Pay Related Benefits

COMBINING NONMAJOR FUND STATEMENTS

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CITY OF BIGGS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2020

	Gas Tax 2032	Gas Tax	Drainage- Develo	TDA LTF /SB- 325	17 SR2S Cycle 2	19 SR2S Cycle 4	2nd St CMAQ Con	TDA STA /SB- 620	RSTP/STIP Excha	HOME Grant
ASSETS										
Cash and investments	\$ 77,125	\$ 88,575	\$ 149,055	\$ 133,975	\$ -	\$ -	\$ -	\$ -	\$ 131,503	\$ 105,618
Accounts receivable (net of allowance)	5,464	2,297	-	-	-	-	-	-	18,709	-
Due from other funds	-	-	-	-	-	-	-	22,102	-	-
Total Assets	\$ 82,589	\$ 90,872	\$ 149,055	\$ 133,975	\$ -	\$ -	\$ -	\$ 22,102	\$ 150,212	\$ 105,618
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accrued liabilities	\$ -	\$ 437	\$ -	\$ 848	\$ -	\$ -	\$ -	\$ -	\$ 13	\$ -
Due to Other Funds	-	-	-	22,102	20,847	75,021	176,343	22,102	-	-
Customer Deposits	-	-	-	-	-	-	7,261	-	-	-
Total Liabilities	-	437	-	22,950	20,847	75,021	183,604	22,102	13	-
FUND BALANCES										
Restricted	82,589	90,435	149,055	111,025	-	-	-	-	150,199	105,618
Unassigned	-	-	-	-	(20,847)	(75,021)	(183,604)	-	-	-
Total Fund Balances	82,589	90,435	149,055	111,025	(20,847)	(75,021)	(183,604)	-	150,199	105,618
Total Liabilities and F	\$ 82,589	\$ 90,872	\$ 149,055	\$ 133,975	\$ -	\$ -	\$ -	\$ 22,102	\$ 150,212	\$ 105,618

CITY OF BIGGS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2020

	'39 Fire Truck	82-CDBG Grant	86-HUD Grant	CDBG Unrestrict	CDGB ProgIncll	01 STBG- 1797	CFD N BIGGS EST	SunWest Packagi	Betzler/Sum mit	HomeTown Cele
ASSETS										
Cash and investments	\$ 9,439	\$ 928	\$ 24,522	\$ 15,714	\$ 118,823	\$ 23,665	\$ 10,994	\$ 4,797	\$ 8,847	\$ 82
Accounts receivable (net of allowance)	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 9,439	\$ 928	\$ 24,522	\$ 15,714	\$ 118,823	\$ 23,665	\$ 10,994	\$ 4,797	\$ 8,847	\$ 82
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 524	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	1,550	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	2,074	-	-	-
FUND BALANCES										
Restricted	9,439	928	24,522	15,714	118,823	23,665	8,920	4,797	8,847	82
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	9,439	928	24,522	15,714	118,823	23,665	8,920	4,797	8,847	82
Total Liabilities and F	\$ 9,439	\$ 928	\$ 24,522	\$ 15,714	\$ 118,823	\$ 23,665	\$ 10,994	\$ 4,797	\$ 8,847	\$ 82

CITY OF BIGGS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2020

	SunWest Expans	94 CDBG	01 STBG Loans	2004 HOME 0707	2004 HOME 3073	Curb/Gutter Ln	Non-Major Special Revenue Funds
ASSETS							
Cash and investments	\$ 11,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 914,945
Accounts receivable (net of allowance)	-	27,464	233,577	452,291	119,816	870	860,488
Due from other funds	-	-	-	-	-	-	22,102
Total Assets	\$ 11,283	\$ 27,464	\$ 233,577	\$ 452,291	\$ 119,816	\$ 870	\$ 1,797,535
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,822
Due to Other Funds	-	-	-	-	-	-	318,215
Unearned Revenue	-	27,464	233,577	452,291	119,816	870	834,018
Customer Deposits	-	-	-	-	-	-	7,261
Total Liabilities	-	27,464	233,577	452,291	119,816	870	1,161,316
FUND BALANCES							
Restricted	11,283	-	-	-	-	-	915,941
Unassigned	-	-	-	-	-	-	(279,722)
Total Fund Balances	11,283	-	-	-	-	-	636,219
Total Liabilities and Fund Balances	\$ 11,283	\$ 27,464	\$ 233,577	\$ 452,291	\$ 119,816	\$ 870	\$ 1,797,535

CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2020

	Gas Tax 2032	Gas Tax	Drainage- Develo	14 SR2S Project	TDA LTF /SB- 325	17 SR2S Cycle 2	19 SR2S Cycle 4	2nd St CMAQ Con	RSTP/STIP Excha	HOME Grant
REVENUES										
Taxes and assesments	\$ 35,783	\$ 49,715	\$ -	\$ -	\$ 39,200	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money	380	457	876	-	790	-	-	-	788	625
Intergovernmental	-	-	-	-	-	43,475	70,019	-	18,032	3,240
Charges for services	-	-	4,552	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-	-
Total Revenues	36,163	50,172	5,428	-	39,990	43,475	70,019	-	18,820	3,865
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Ways and Facilities	-	17,945	-	-	35,628	103	-	-	131	-
Electric	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	60,942	174,771	-	-
Total Expenditures	-	17,945	-	-	35,628	103	60,942	174,771	131	-
Net Change in Fund Balances	36,163	32,227	5,428	-	4,362	43,372	9,077	(174,771)	18,689	3,865
Fund Balances - Beginning	46,426	58,208	143,627	(250)	106,663	(64,219)	(84,098)	(8,833)	131,510	101,753
Fund Balances - Ending	\$ 82,589	\$ 90,435	\$ 149,055	\$ (250)	\$ 111,025	\$ (20,847)	\$ (75,021)	\$ (183,604)	\$ 150,199	\$ 105,618

CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2020

	'39 Fire Truck	82-CDBG Grant	86-HUD Grant	CDBG Unrestrict	CDGB ProgIncll	01 STBG- 1797	CFD N BIGGS EST	SunWest Packagi	Betzler/Sum mit	HomeTown Cele
REVENUES										
Taxes and assesments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,150	\$ -	\$ -	\$ -
Use of money	57	6	147	94	702	142	15	28	53	-
Intergovernmental	-	-	-	-	4,288	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-	37
Total Revenues	57	6	147	94	4,990	142	23,165	28	53	37
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	16,348	-	-	-
Public Safety	361	-	-	-	-	-	-	-	-	-
Public Ways and Facilities	-	-	-	-	-	-	-	-	-	-
Electric	-	-	-	-	-	-	2,048	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	361	-	-	-	-	-	18,396	-	-	-
Net Change in Fund Balances	(304)	6	147	94	4,990	142	3,219	28	53	37
Fund Balances - Beginning	9,743	922	24,375	15,620	113,833	23,523	5,701	4,769	8,794	45
Fund Balances - Ending	\$ 9,439	\$ 928	\$ 24,522	\$ 15,714	\$ 118,823	\$ 23,665	\$ 8,920	\$ 4,797	\$ 8,847	\$ 82

CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2020

	SunWest			01 STBG	2004 HOME	2004 HOME	Curb/Gutter	Non-Major
	Expans	86 CDBG	94 CDBG	Loans	0707	3073	Ln	Special
								Revenue
								Funds
REVENUES								
Taxes and assesments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,848
Use of money	68	-	-	-	-	-	-	5,228
Intergovernmental	-	-	-	-	-	-	-	139,054
Charges for services	-	-	-	-	-	-	-	4,552
Other revenues	-	-	-	-	-	-	-	37
Total Revenues	68	-	-	-	-	-	-	296,719
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	-	16,348
Public Safety	-	-	-	-	-	-	-	361
Public Ways and Facilities	-	-	-	-	-	-	-	53,807
Electric	-	-	-	-	-	-	-	2,048
Capital outlay	-	-	-	-	-	-	-	235,713
Total Expenditures	-	-	-	-	-	-	-	308,277
Net Change in Fund Balances	68	-	-	-	-	-	-	(13,108)
Fund Balances - Beginning	11,215	-	-	-	-	-	-	649,327
Fund Balances - Ending	\$ 11,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 636,219

CITY OF BIGGS, CALIFORNIA
BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2020

	Blding/Equipm nt	Fire Engine Rpl	Bridge Reserve	Detention Basin	St Maint Reserv	Pub Wks Fac Res	Traffic Congest
ASSETS							
Cash and investments	\$ 8,621	\$ 237,696	\$ -	\$ 16,813	\$ 261,302	\$ 17,998	\$ 6,704
Due from other funds	2,500	6,000	-	-	7,500	-	-
Total Assets	<u>\$ 11,121</u>	<u>\$ 243,696</u>	<u>\$ -</u>	<u>\$ 16,813</u>	<u>\$ 268,802</u>	<u>\$ 17,998</u>	<u>\$ 6,704</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable and accrued liabilities	\$ 1,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	2,525	-	-	-	-
Total Liabilities	<u>1,220</u>	<u>-</u>	<u>2,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Assigned	9,901	243,696	-	16,813	268,802	17,998	6,704
Unassigned	-	-	(2,525)	-	-	-	-
Total Fund Balances	<u>9,901</u>	<u>243,696</u>	<u>(2,525)</u>	<u>16,813</u>	<u>268,802</u>	<u>17,998</u>	<u>6,704</u>
Total Liabilities and Fund Balances	<u>\$ 11,121</u>	<u>\$ 243,696</u>	<u>\$ -</u>	<u>\$ 16,813</u>	<u>\$ 268,802</u>	<u>\$ 17,998</u>	<u>\$ 6,704</u>

CITY OF BIGGS, CALIFORNIA
BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS (Continued)
June 30, 2020

	Roads-Dev Impac	Parks-Rec, Dev.	Gen Govt-Dev Im	Police-Dev Impa	Fire-Dev Impact	Non-Major Capital Projects Funds
ASSETS						
Cash and investments	\$ 116,375	\$ 97,063	\$ 10,769	\$ 4,121	\$ 14,801	\$ 792,263
Due from other funds	-	-	-	-	-	16,000
Total Assets	<u>\$ 116,375</u>	<u>\$ 97,063</u>	<u>\$ 10,769</u>	<u>\$ 4,121</u>	<u>\$ 14,801</u>	<u>808,263</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,220
Due to Other Funds	-	-	-	-	-	2,525
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,745</u>
FUND BALANCES						
Assigned	116,375	97,063	10,769	4,121	14,801	807,043
Unassigned	-	-	-	-	-	(2,525)
Total Fund Balances	<u>116,375</u>	<u>97,063</u>	<u>10,769</u>	<u>4,121</u>	<u>14,801</u>	<u>804,518</u>
Total Liabilities and Fund Balances	<u>\$ 116,375</u>	<u>\$ 97,063</u>	<u>\$ 10,769</u>	<u>\$ 4,121</u>	<u>\$ 14,801</u>	<u>\$ 808,263</u>

CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS (Continued)
June 30, 2020

	Blding / Equipmnt	Fire Engine Rpl	Bridge Reserve	Detention Basin	St Maint Reserv	Pub Wks Fac Res	Traffic Congest
REVENUES							
Use of money	\$ 148	\$ 1,420	\$ -	\$ 100	\$ 1,560	\$ 108	\$ 32
Intergovernmental	-	-	-	-	-	-	2,323
Charges for services	-	-	-	-	-	-	-
Total Revenues	148	1,420	-	100	1,560	108	2,355
EXPENDITURES							
Current:							
General Government	39,692	-	-	-	-	-	-
Capital outlay	52,152	-	-	-	-	-	-
Total Expenditures	91,844	-	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	(91,696)	1,420	-	100	1,560	108	2,355
OTHER FINANCING SOURCES (USES)							
Transfers in	5,000	12,000	-	-	15,000	-	-
Net Change in Fund Balances	(86,696)	13,420	-	100	16,560	108	2,355
Fund Balances - Beginning	96,597	230,276	(2,525)	16,713	252,242	17,890	4,349
Fund Balances - Ending	\$ 9,901	\$ 243,696	\$ (2,525)	\$ 16,813	\$ 268,802	\$ 17,998	\$ 6,704

CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS (Continued)
June 30, 2020

	Roads-Dev Impac	Parks-Rec, Dev.	Gen Govt-Dev Im	Police-Dev Impa	Fire-Dev Impact	Non-Major Capital Projects Funds
REVENUES						
Use of money	\$ 684	\$ 568	\$ 75	\$ 24	\$ 87	\$ 4,806
Intergovernmental	-	-	-	-	-	2,323
Charges for services	3,554	3,060	1,134	128	452	8,328
Total Revenues	4,238	3,628	1,209	152	539	15,457
EXPENDITURES						
Current:						
General Government	-	-	25,433	-	-	65,125
Capital outlay	-	-	-	-	-	52,152
Total Expenditures	-	-	25,433	-	-	117,277
Excess of Revenues Over (Under) Expenditures	4,238	3,628	(24,224)	152	539	(101,820)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	32,000
Net Change in Fund Balances	4,238	3,628	(24,224)	152	539	(69,820)
Fund Balances - Beginning	112,137	93,435	34,993	3,969	14,262	874,338
Fund Balances - Ending	\$ 116,375	\$ 97,063	\$ 10,769	\$ 4,121	\$ 14,801	\$ 804,518

OTHER REPORT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To The Honorable Mayor and Members of the City Council
of the City of Biggs
Biggs, California

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Biggs as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Biggs's basic financial statements, and have issued our report thereon dated April 5, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Biggs's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Biggs's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Biggs's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Biggs's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads 'R.T. Dennis Accountancy'.

April 5, 2021

RT DENNIS
ACCOUNTANCY