

**CITY OF BIGGS,
California**

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

**For the Year Ended
June 30, 2019**

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INTRODUCTORY SECTION

City Officials

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CITY OF BIGGS, CALIFORNIA
CITY OFFICIALS
For the Year Ended June 30, 2019

Name	Office
Nathan Wilkinson	Mayor
James Sheppard	Vice-Mayor
Brian Bassett	Member
Roger L. Frith	Member
Angela Thompson	Member

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FINANCIAL SECTION

Independent Auditor's Report
Basic Financial Statements
Required Supplementary Information
Combining Nonmajor Fund 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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Biggs, California (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the consolidated 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 city's internal control. Accordingly, I 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 consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the City of Biggs as of June 30, 2019, and the changes in their net assets and their cash flows 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 required supplementary information and budgetary comparison information (including required GASB 68 schedules) on pages 67 through 72 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provided any assurance.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. Management has elected to omit the Management Discussion and Analysis.

Other Information

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

The combining and individual nonmajor fund financial statements and the required GASB 68 schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 23, 2020, on my consideration of the City's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "David D. Bruner, CPA". The signature is written in a cursive style with a large, stylized 'D' at the beginning.

David D. Bruner, CPA
Merced, California
March 23, 2020

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BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

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CITY OF BIGGS, CALIFORNIA
STATEMENT OF NET POSITION
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 2,331,167	\$ 2,578,505	\$ 4,909,672
Accounts receivable (net of allowance)	14,022	475,080	489,102
Due from other funds	22,102	1,700,000	1,722,102
Due from other governmental agencies	41,168	26,297	67,465
Interest receivable	-	-	-
Internal balances	-	-	-
Prepaid power	-	-	-
Loans receivable	825,077	-	825,077
Capital assets:			
Non-depreciable	168,777	4,273,182	4,441,959
Depreciable, net	<u>6,403,417</u>	<u>8,472,065</u>	<u>14,875,482</u>
Total capital assets	<u>6,572,194</u>	<u>12,745,247</u>	<u>19,317,441</u>
Total Assets	<u>\$ 9,805,730</u>	<u>\$ 17,525,129</u>	<u>\$ 27,330,859</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pensions	<u>\$ 71,887</u>	<u>\$ 139,546</u>	<u>\$ 211,433</u>
LIABILITIES			
Accounts payable	\$ 21,830	\$ 330,038	\$ 351,868
Accrued salaries and benefits	17,577	-	17,577
Accrued interest payable	-	52,975	52,975
Due to other funds	22,102	1,700,000	1,722,102
Due to other governments	-	-	-
Retentions payable	5,000	-	5,000
Deposits payable	-	139,049	139,049
OPEB liability	3,117	9,150	12,267
Compensated absences:			
Due within one year	14,989	34,657	49,646
Due in more than one year	16,238	37,545	53,783
Long-term liabilities:			
Due within one year	7,000	139,074	146,074
Due in more than one year	<u>454,434</u>	<u>7,460,882</u>	<u>7,915,316</u>
Total Liabilities	<u>\$ 562,287</u>	<u>\$ 9,903,370</u>	<u>\$ 10,465,657</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	\$ 825,077	\$ 14,052	\$ 839,129
Deferred inflows related to pensions	<u>49,246</u>	<u>95,595</u>	<u>144,841</u>
	<u>\$ 874,323</u>	<u>\$ 109,647</u>	<u>\$ 983,970</u>
NET POSITION			
Invested in capital assets, net of related debt	\$ 6,342,194	\$ 5,594,544	\$ 11,936,738
Restricted for:			
Grants, taxes, and fees	-	-	-
Energy scheduling services	-	137,847	137,847
Unrestricted	<u>2,098,813</u>	<u>1,919,267</u>	<u>4,018,080</u>
Total Net Position	<u>\$ 8,441,007</u>	<u>\$ 7,651,658</u>	<u>\$ 16,092,665</u>

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, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 281,819	\$ 47,676	\$ -	\$ -
Public ways and facilities	116,292	53,788	-	-
Public protection	247,187	2,445	148,513	-
Culture and recreation	69,068	-	-	-
Community development	-	18,336	-	692,444
Interest on long-term debt	17,575	-	-	-
Total Governmental Activities	<u>731,941</u>	<u>122,245</u>	<u>148,513</u>	<u>692,444</u>
Business-type activities:				
Sewer	\$ 1,079,588	\$ 649,084	\$ -	\$ -
Electric	2,540,908	2,437,769	-	-
Water	704,420	485,950	-	-
Solid waste	195,405	209,853	-	-
Total Business-Type Activities	<u>4,520,321</u>	<u>3,782,656</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,252,262</u>	<u>\$ 3,904,901</u>	<u>\$ 148,513</u>	<u>\$ 692,444</u>

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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, 2019

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business Type Activities	Total
Governmental activities:			
General government	\$ (234,143)	\$ -	\$ (234,143)
Public ways and facilities	(62,504)	-	(62,504)
Public protection	(96,229)	-	(96,229)
Culture and recreation	(69,068)	-	(69,068)
Community development	710,780	-	710,780
Interest on long-term debt	(17,575)	-	(17,575)
Total Governmental Activities	<u>231,261</u>	<u>-</u>	<u>231,261</u>
Business-type activities:			
Sewer	\$ -	\$ (430,504)	\$ (430,504)
Electric	-	(103,139)	(103,139)
Water	-	(218,470)	(218,470)
Solid waste	-	14,448	14,448
Total Business-Type Activities	<u>-</u>	<u>(737,665)</u>	<u>(737,665)</u>
Total	<u>\$ 231,261</u>	<u>\$ (737,665)</u>	<u>\$ (506,404)</u>

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business Type Activities	Total
General revenues:			
Taxes:			
Property taxes	\$ 187,852	\$ -	\$ 187,852
Sales and use taxes	33,541	-	33,541
Gas tax	147,496	-	147,496
Franchise taxes	17,549	-	17,549
Property transfer taxes	5,542	-	5,542
Grants and contributions - unrestricted	224,165	-	224,165
Interest and investment earnings	13,985	122,032	136,017
Miscellaneous	63,270	346,030	409,300
Transfers	182,000	(182,000)	-
Total General Revenue and Transfers	<u>875,400</u>	<u>286,062</u>	<u>1,161,462</u>
Change in Net Position	<u>\$ 1,106,661</u>	<u>\$ (451,603)</u>	<u>\$ 655,058</u>
Net position - beginning	7,573,418	7,205,504	14,778,922
Prior period adjustment	(239,072)	897,757	658,685
Net position - ending	<u>\$ 8,441,007</u>	<u>\$ 7,651,658</u>	<u>\$ 16,092,665</u>

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, 2019

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 823,360	\$ 1,507,807	\$ 2,331,167
Accounts receivable (net of allowance)	14,022	-	14,022
Due from other governmental agencies	13,318	27,850	41,168
Interest receivable	-	-	-
Due from other funds	-	22,102	22,102
Loans receivable	-	825,077	825,077
Total Assets	<u>\$ 850,700</u>	<u>\$ 2,382,836</u>	<u>\$ 3,233,536</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 16,579	\$ 5,251	\$ 21,830
Accrued salaries and benefits	15,882	1,695	17,577
Due to other funds	-	22,102	22,102
Due to other governments	-	-	-
Retentions payable	-	5,000	5,000
Unearned revenues	-	825,077	825,077
Total Liabilities	<u>\$ 32,461</u>	<u>\$ 859,125</u>	<u>\$ 891,586</u>
FUND BALANCES			
Reserved for:			
Loans receivable	\$ -	\$ -	\$ -
Unreserved, reported in:			
General fund	-	-	-
Designated	-	-	-
Undesignated	818,239	-	818,239
Special revenue funds			
Designated	-	-	-
Undesignated	-	1,523,711	1,523,711
Total Fund Balances	<u>\$ 818,239</u>	<u>\$ 1,523,711</u>	<u>\$ 2,341,950</u>
Total Liabilities and Fund Balances	<u>\$ 850,700</u>	<u>\$ 2,382,836</u>	<u>\$ 3,233,536</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, 2019

Total Fund Balance - Total Governmental Funds \$ 2,341,950

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets. 6,572,194

Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.

Deferred inflows and outflows of resources from GASB 68	22,641
Long-term liabilities	(464,551)
Compensated absences	(31,227)
	<hr/>
Net Position of Governmental Activities	<u>\$ 8,441,007</u>

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

CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General Fund	Other Governmental Funds	Total
REVENUES			
Taxes and assessments	\$ 196,451	\$ 177,890	\$ 374,341
Licenses and permits	8,728	-	8,728
Fines and forfeitures	951	-	951
Use of money	959	13,026	13,985
Intergovernmental	372,678	692,444	1,065,122
Charges for services	139,794	-	139,794
Other revenues	4,924	48,667	53,591
Total Revenues	<u>724,485</u>	<u>932,027</u>	<u>1,656,512</u>
EXPENDITURES			
Current:			
General government	327,103	-	327,103
Public ways and facilities	78,114	1,075,481	1,153,595
Public protection	292,471	-	292,471
Culture and recreation	83,220	-	83,220
Community development	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	17,575	-	17,575
Capital outlay	-	-	-
Total Expenditures	<u>798,483</u>	<u>1,075,481</u>	<u>1,873,964</u>
Excess of Revenues Over (Under) Expenditures	<u>(73,998)</u>	<u>(143,454)</u>	<u>(217,452)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	150,000	32,000	182,000
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>32,000</u>	<u>182,000</u>
Net Change in Fund Balances	<u>76,002</u>	<u>(111,454)</u>	<u>(35,452)</u>
Fund Balances - Beginning	1,104,829	1,511,645	2,616,474
Prior period adjustment	<u>(362,592)</u>	<u>123,520</u>	<u>(239,072)</u>
Fund Balances - Ending	<u>\$ 818,239</u>	<u>\$ 1,523,711</u>	<u>\$ 2,341,950</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, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (35,452)

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

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

Expenditures for capital outlay	1,332,405
Depreciation expense	(179,525)
Donations of fixed assets	<u> -</u>

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

Principal retirements	(6,000)
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Some revenues reported in the statement of activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Change in accounts receivable	(304)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences	<u>(4,463)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 1,106,661</u></u>
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The accompanying notes are an integral part of these financial statements.

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CITY OF BIGGS, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Business-Type Activities		
	Sewer	Electric	Water
ASSETS			
Cash and investments	\$ (412,463)	\$ 2,347,042	\$ 645,566
Accounts receivable (net of allowance)	89,913	287,627	68,632
Due from other funds	-	1,700,000	-
Due from other governmental agencies	-	26,297	-
Prepaid power	-	-	-
Capital assets:			
Non-depreciable	4,163,019	7,158	103,005
Depreciable, net	<u>3,564,453</u>	<u>567,502</u>	<u>4,340,110</u>
Total Assets	<u>7,404,922</u>	<u>4,935,626</u>	<u>5,157,313</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>41,864</u>	<u>55,818</u>	<u>41,864</u>
LIABILITIES			
Accounts payable and accrued liabilities	307,679	12,197	9,244
Accrued interest payable	19,475	-	33,500
Deposits payable	-	139,049	-
Due to other funds	1,700,000	-	-
Unearned revenue	14,052	-	-
Loans payable - current	84,074	-	55,000
Compensated absences	22,153	25,417	21,928
OPEB liability	3,277	2,933	2,650
Net pension liability	134,776	179,701	134,776
Loans payable - noncurrent	<u>3,991,629</u>	<u>-</u>	<u>3,020,000</u>
Total Liabilities	<u>6,277,115</u>	<u>359,297</u>	<u>3,277,098</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>28,679</u>	<u>38,237</u>	<u>28,679</u>
NET POSITION			
Invested in capital assets, net of related debt	3,651,769	574,660	1,368,115
Restricted for:			
Energy scheduling services	-	137,847	-
Unrestricted	<u>(2,510,777)</u>	<u>3,881,403</u>	<u>525,285</u>
Total Net Position	<u>\$ 1,140,992</u>	<u>\$ 4,593,910</u>	<u>\$ 1,893,400</u>

Continued on next page

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

CITY OF BIGGS, CALIFORNIA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
June 30, 2019

	<u>Business-Type Activities</u>	
	<u>Other Enterprise Funds</u>	<u>Total</u>
ASSETS		
Cash and investments	\$ (1,640)	\$ 2,578,505
Accounts receivable (net of allowance)	28,908	475,080
Due from other funds	-	1,700,000
Due from other governmental agencies	-	26,297
Prepaid power	-	-
Capital assets:		-
Non-depreciable	-	4,273,182
Depreciable, net	-	8,472,065
Total Assets	<u>27,268</u>	<u>17,525,129</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	-	<u>139,546</u>
LIABILITIES		
Accounts payable and accrued liabilities	918	330,038
Accrued interest payable	-	52,975
Deposits payable	-	139,049
Due to other funds	-	1,700,000
Unearned revenue	-	14,052
Loans payable - current	-	139,074
Compensated absences	2,704	72,202
OPEB liability	290	9,150
Net pension liability	-	449,253
Loans payable - noncurrent	-	<u>7,011,629</u>
Total Liabilities	<u>3,912</u>	<u>9,917,422</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	-	<u>95,595</u>
NET POSITION		
Invested in capital assets, net of related debt	-	5,594,544
Restricted for:		
Energy scheduling services	-	137,847
Unrestricted	<u>23,356</u>	<u>1,919,267</u>
Total Net Position	<u>\$ 23,356</u>	<u>\$ 7,651,658</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, 2019

	Business-Type Activities		
	Sewer	Electric	Water
OPERATING REVENUES			
Charges for services	\$ 649,084	\$ 2,437,769	\$ 485,950
Total Operating Revenue	<u>649,084</u>	<u>2,437,769</u>	<u>485,950</u>
OPERATING EXPENSES			
Personnel costs	189,316	191,780	181,338
Utilities	7,941	-	9,213
Supplies	88,872	13,121	139,938
Maintenance and operations	26,700	561,594	29,695
Contractual services	326,129	1,710,791	97,382
Project construction	287,744	-	-
Depreciation	78,512	46,339	105,357
Other expenses	5,320	17,283	4,930
Total Operating Expenses	<u>1,010,534</u>	<u>2,540,908</u>	<u>567,853</u>
Operating Income (Loss)	<u>(361,450)</u>	<u>(103,139)</u>	<u>(81,903)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and penalties	11,087	98,688	9,591
Intergovernmental revenues	-	-	-
Other revenues	28	252,507	93,481
Interest expense	<u>(69,054)</u>	<u>-</u>	<u>(136,567)</u>
Total Non-Operating Revenues (Expenses)	<u>(57,939)</u>	<u>351,195</u>	<u>(33,495)</u>
Income (Loss) Before Transfers	<u>(419,389)</u>	<u>248,056</u>	<u>(115,398)</u>
Transfers in	9,750	57,867	120,000
Transfers out	<u>(9,750)</u>	<u>(229,867)</u>	<u>(120,000)</u>
Change in Net Position	<u>(419,389)</u>	<u>76,056</u>	<u>(115,398)</u>
Total Net Position - Beginning	828,130	4,491,898	1,869,248
Prior period adjustment	<u>732,251</u>	<u>25,956</u>	<u>139,550</u>
Total Net Position - Ending	<u>\$ 1,140,992</u>	<u>\$ 4,593,910</u>	<u>\$ 1,893,400</u>

Continued on next page

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

CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)
PROPRIETARY FUNDS
For the Year Ended June 30, 2019

	<u>Business-Type Activities</u>	
	<u>Other Enterprise Funds</u>	<u>Total</u>
OPERATING REVENUES		
Charges for services	\$ 209,853	\$ 3,782,656
Total Operating Revenue	<u>209,853</u>	<u>3,782,656</u>
OPERATING EXPENSES		
Personnel costs	17,932	580,366
Utilities	-	17,154
Supplies	-	241,931
Maintenance and operations	11,016	629,005
Contractual services	166,457	2,300,759
Project construction	-	287,744
Depreciation	-	230,208
Other expenses	-	27,533
Total Operating Expenses	<u>195,405</u>	<u>4,314,700</u>
Operating Income (Loss)	<u>14,448</u>	<u>(532,044)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest and penalties	2,666	122,032
Intergovernmental revenues	-	-
Other revenues	14	346,030
Interest expense	-	(205,621)
Total Non-Operating Revenues (Expenses)	<u>2,680</u>	<u>262,441</u>
Income (Loss) Before Transfers	<u>17,128</u>	<u>(269,603)</u>
Transfers in	-	187,617
Transfers out	<u>(10,000)</u>	<u>(369,617)</u>
Change in Net Position	7,128	(451,603)
Total Net Position - Beginning	16,228	7,205,504
Prior period adjustment	-	897,757
Total Net Position - Ending	<u>\$ 23,356</u>	<u>\$ 7,651,658</u>

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, 2019

	<u>Business-Type Activities</u>		
	<u>Sewer</u>	<u>Electric</u>	<u>Water</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 648,850	\$ 2,439,538	\$ 486,716
Payments to suppliers	(429,937)	(2,300,769)	(186,935)
Payments to employees	(157,321)	(169,502)	(143,714)
Net Cash Provided (Used) by Operating Activities	<u>61,592</u>	<u>(30,733)</u>	<u>156,067</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grants and other receipts	28	265,214	93,481
Transfer to other funds	-	(172,000)	-
Interfund loans repaid	-	-	-
Interfund loans received	-	-	-
Interfund loans made	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>28</u>	<u>93,214</u>	<u>93,481</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(472,507)	-	(93,481)
Proceeds from long-term debt	706,108	-	-
Principal paid on capital debt	(78,575)	-	(60,000)
Interest paid on capital debt	(69,054)	-	(136,567)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>85,972</u>	<u>-</u>	<u>(290,048)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends and other	11,087	98,688	9,591
Net Cash Provided (Used) by Investing Activities	<u>11,087</u>	<u>98,688</u>	<u>9,591</u>
Net Increase (Decrease) in Cash and Cash Equivalents	158,679	161,169	(30,909)
Balances - Beginning of the Year	(571,142)	2,185,873	676,475
Balances - End of the Year	<u>\$ (412,463)</u>	<u>\$ 2,347,042</u>	<u>\$ 645,566</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(326,367)	(77,183)	57,647
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	78,512	46,339	105,357
Decrease (increase) in:			
Accounts receivable	(234)	1,769	766
Due from other funds	6,572	-	-
Due from other governmental agencies	-	(17,948)	-
Increase (decrease) in:			
Accounts payable	286,482	(813)	(10,142)
Accrued interest payable	(512)	-	(589)
Deposits payable	-	13,425	-
Retentions payable	14,052	-	-
Unearned revenue	-	-	-
Compensated absences	3,087	3,678	3,028
OPEB liability	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 61,592</u>	<u>\$ (30,733)</u>	<u>\$ 156,067</u>

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

Continued on next page

CITY OF BIGGS, CALIFORNIA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
For the Year Ended June 30, 2019

	Business-Type Activities	
	Other Enterprise Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 209,316	\$ 3,784,420
Payments to suppliers	(176,484)	\$ (3,094,125)
Payments to employees	(18,282)	(488,819)
Net Cash Provided (Used) by Operating Activities	<u>14,550</u>	<u>201,476</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grants and other receipts	-	358,723
Transfer to other funds	(10,000)	(182,000)
Interfund loans repaid	-	-
Interfund loans received	-	-
Interfund loans made	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(10,000)</u>	<u>176,723</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	-	(565,988)
Proceeds from long-term debt	-	706,108
Principal paid on capital debt	-	(138,575)
Interest paid on capital debt	-	(205,621)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>-</u>	<u>(204,076)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends and other	2,680	122,046
Net Cash Provided (Used) by Investing Activities	<u>2,680</u>	<u>122,046</u>
Net Increase (Decrease) in Cash and Cash Equivalents	7,230	296,169
Balances - Beginning of the Year	(8,870)	2,282,336
Balances - End of the Year	<u>\$ (1,640)</u>	<u>\$ 2,578,505</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	14,448	(331,455)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	-	230,208
Decrease (increase) in:		
Accounts receivable	(537)	1,764
Due from other funds	-	6,572
Due from other governmental agencies	-	(17,948)
Increase (decrease) in:		
Accounts payable	289	275,816
Accrued Interest Payable	-	(1,101)
Deposits payable	-	13,425
Retentions payable	-	14,052
Unearned revenue	-	-
Compensated absences	350	10,143
OPEB liability	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 14,550</u>	<u>\$ 201,476</u>

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

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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, 2019

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

The following is a summary of the more significant accounting policies of the City of Biggs (City), all of which conform to generally accepted accounting principles as applicable to governmental units.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services including police and fire protection; sanitation, electric, water, and wastewater services; the construction and maintenance of streets and infrastructure; recreational activities and cultural events.

As required by GAAP, the accompanying basic financial statements present the City and its component units. Component units are entities for which the City is considered to be financially accountable. GASB defines component units as legally separate entities that meet any one of the following tests:

The City appoints the voting majority of the council of the entity and:

Is able to impose its will on the entity and/or

Is in a relationship of financial benefit or burden with the entity.

The entity is fiscally independent upon the City.

The financial statements of the City would be misleading if data from the entity were omitted.

Management determined that there are no potential component units, based on the criteria above.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include:

- 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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

Government-Wide and Fund Financial Statements *(Continued)*

Taxes and other items not included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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.

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.

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

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.

Fiduciary fund financial statements include a statement of net assets. The City's fiduciary funds represent agency funds and a Private-purpose Trust Fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These funds are accounted for on the accrual basis of accounting. These funds are now grouped in the Special Revenue funds as of June 30, 2018.

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.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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

Basis of Presentation

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.

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.

Enterprise 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.

The City has elected to follow GASB pronouncements, and not Financial Accounting Standards Board (FASB) pronouncements after 1989, as presented by GASB Statement Number 20.

Major Funds

The City reports the following major governmental funds:

The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the 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.

As a general rule the effect of 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.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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

Basis of Presentation *(Continued)*

Major Funds *(Continued)*

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 Net Assets or Equity Cash Investments

Cash and Investments

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. State statutes authorize the City to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Investment income from pooled investments is allocated to all funds in the pool. Interest is allocated on the basis of average daily cash balance at quarter end in relation to the total pool investments. The interest income is recorded in the fund that earned the interest, except for those funds which have a negative cash balance and are excluded from the interest apportionment.

Investments are reported in the accompanying balance sheet at fair value which is determined using selected bases annually. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

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 assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on July 1. Secured property taxes become a lien on real property on January 1 of the preceding fiscal year.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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

Assets, Liabilities, and Net Assets or Equity Cash Investments *(Continued)*

General Receivables and Property Taxes Receivable *(Continued)*

Secured property tax is due in two installments, on November 1 and March 1. Property taxes become delinquent after December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed.

The City records an allowance for doubtful accounts based on past experience. The allowance for doubtful accounts at June 30, 2019 are Sewer fund \$1,087, Electric fund \$4,456, Water fund \$820, and Solid Waste \$300.

Inventories

Inventories are valued at estimated cost. All inventories consist of expendable supplies held for consumption. The cost is recorded as inventory when items are purchased and as expenditures when the items are used (the consumption method of accounting for inventories). The City recorded no material inventories at year end.

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.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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

Assets, Liabilities, and Net Assets or Equity Cash Investments *(Continued)*

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow resources expense/expenditure until then. The City does not have any items that qualify for reporting in the category this fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from miscellaneous receivables, grants and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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, 2019

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

Assets, Liabilities, and Net Assets or Equity Cash Investments *(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 Equity

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.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed ordinances of the City Council – the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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

Assets, Liabilities, and Net Assets or Equity Cash Investments *(Continued)*

Fund Equity *(Continued)*

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.

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.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2: Stewardship, Compliance, and Accountability

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements

Governmental Accounting Standards Board Statement No. 91, Conduit Debt Obligations

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. Issued May 2019.

Governmental Accounting Standards Board Statement No. 90, Majority Equity Interests—an Amendment of GASB Statements No. 14 and No. 61

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. Issued August 2018.

Deficit Fund Balance/Net Assets

The financial statements reflect the following deficit fund balances at June 30, 2019:

Sewer Capital Improvement Fund	\$ 617,809
Bridge Reserve Fund	2,525
14 SR2S Project Fund	250
SR2S Cycle 2 Project Fund	123,070
SR2S Cycle 4 Project Fund	12,220
2nd Street CMAQ	<u>8,833</u>
Total	<u>\$ 764,707</u>

NOTE 3: Detailed Notes

Cash and Investments

As of June 30, 2019, the City's cash and investments are reported in the financial statements as follows:

Primary government	<u>\$ 4,909,672</u>
Total Cash and Investments	<u>\$ 4,909,672</u>

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3: Detailed Notes *(Continued)*

Cash and Investments *(Continued)*

As of June 30, 2019, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 400
Deposits (less outstanding checks)	3,034,854
Cash with fiscal agent - Mid America - 125 Plan	9,493
Cash with fiscal agent - NCPA	<u>711,856</u>
Total Cash	<u>\$ 3,756,603</u>

As of June 30, 2019, the City's investments consisted of the following:

Investments:	
In City's pool	<u>\$ 1,153,069</u>
Total Investments	<u>1,153,069</u>
Total Cash and Investments	<u>\$ 4,909,672</u>

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was \$3,756,603 and the bank balance was \$3,621,031. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

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

Interest Rate Risk – Interest rate risk is the risk of loss due to the fair value of an investment falling due interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. All investments of the City are pooled with the State of California Local Agency Investment Fund. The City's investment policy generally limits investment maturities as needed to maintain adequate liquidity to meet the City's cash flow requirements and to limit its exposure to fair value losses arising from increasing interest rates.

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3: Detailed Notes *(Continued)*

Cash and Investments *(Continued)*

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law and City investment policy limits investments in commercial paper to the rating of A or better by Standards and Poor’s or P-1 or better by Moody’s Investors Service; corporate bonds to the rating of A or better by both Standards and Poor’s and Moody’s Investors Service. No limits are placed on U.S. government agency securities and U.S. Treasuries. The City’s investment policy does not further limit its investment choices.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the City requires that all of its managed investments be held in the name of the City. The City’s investment policy does not further limit the exposure to custodial credit risk.

Concentration of Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the City’s investment in a single issuer of securities. When investments are concentrated in on issuer, this concentration presents a heightened risk of potential loss. State law restricts the City’s investments in commercial paper to 40% of its investment pool and to 10% per issuer and corporate bonds and medium-term notes to 30% of its investment pool and to 10% per issuer. The City has invested all cash, other than deposits and imprest cash, in the California Local Agency Investment Fund (LAIF). At June 30, 2019, the City’s investments were in compliance with concentration of credit risk State law.

Investment in Local Agency Investment Fund – The City of Biggs is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. At June 30, 2019, the City’s investment position in the State of California Local Agency Investment Fund (LAIF) was \$1,153,069. The total amount invested by all public agencies in LAIF on that day was \$24,584,685,280. Of that amount, 95.71% is invested in non-derivative financial products and 4.29% in structured notes and asset-backed securities. The value of the pool shares in LAIF is determined on an amortized cost basis, which approximates fair value. The Local Investment Advisory Board, which consists of five members designated by the State statutes, has oversight responsibility for LAIF.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3: Detailed Notes (Continued)

Capital Assets

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

	Balance July 1, 2018	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2019
Governmental Activities					
Capital Assets,					
Not Being Depreciated:					
Land	\$ 168,777	\$ -	\$ -	\$ -	\$ 168,777
Construction in progress	-	-	-	-	-
Total Capital Assets, Not Being Depreciated	168,777	-	-	-	168,777
Capital Assets, Being Depreciated:					
Buildings and improvements	1,350,777	520,842	-	-	1,871,619
Machinery and equipment	73,537	64,822	(4,463)	-	133,896
Vehicles	219,745	-	-	-	219,745
Infrastructure	4,995,948	751,204	-	-	5,747,152
Total Capital Assets, Being Depreciated	6,640,007	1,336,868	(4,463)	-	7,972,412
Less Accumulated Depreciation For:					
Buildings and improvements	(619,786)	(55,225)	-	-	(675,011)
Machinery and equipment	(69,538)	(8,219)	4,463	-	(73,294)
Vehicles	(188,754)	(6,898)	-	-	(195,652)
Infrastructure	(515,855)	(109,183)	-	-	(625,038)
Total Accumulated Depreciation	(1,393,933)	(179,525)	4,463	-	(1,568,995)
Total Capital Assets, Being Depreciated, Net	5,246,074	1,157,343	-	-	6,403,417
Total Governmental Activities, Net	\$ 5,414,851	\$ 1,157,343	\$ -	\$ -	\$ 6,572,194

Continued on next page

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3: Detailed Notes (Continued)

Capital Assets (Continued)

	Balance July 1, 2018	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2019
Business-Type Activities					
Capital Assets,					
Not Being Depreciated:					
Land	\$ 2,759,996	\$ -	\$ -	\$ -	\$ 2,759,996
Construction in progress	937,674	575,512	-	-	1,513,186
Total Capital Assets, Not Being Depreciated	<u>3,697,670</u>	<u>575,512</u>	<u>-</u>	<u>-</u>	<u>4,273,182</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	167,000	-	-	-	167,000
Machinery and equipment	1,636,439	-	-	-	1,636,439
Vehicles	35,857	-	-	-	35,857
Infrastructure	10,549,463	-	-	-	10,549,463
Total Capital Assets, Being Depreciated	<u>12,388,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,388,759</u>
Less Accumulated Depreciation For:					
Buildings and improvements	(101,258)	(4,604)	-	-	(105,862)
Machinery and equipment	(1,021,885)	(62,157)	-	-	(1,084,042)
Vehicles	(21,888)	(2,302)	-	-	(24,190)
Infrastructure	(2,541,455)	(161,145)	-	-	(2,702,600)
Total Accumulated Depreciation	<u>(3,686,486)</u>	<u>(230,208)</u>	<u>-</u>	<u>-</u>	<u>(3,916,694)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,702,273</u>	<u>(230,208)</u>	<u>-</u>	<u>-</u>	<u>8,472,065</u>
Total Business-Type Activities, Net	<u><u>\$ 12,399,943</u></u>	<u><u>\$ 345,304</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,745,247</u></u>

Depreciation

Depreciation expense was charged to governmental function as follows:

General government	\$ 55,653
Public ways and facilities	59,243
Public protection	52,062
Culture and recreation	10,772
Community development	<u>1,795</u>
Total Depreciation Expense -- Governmental Functions	<u><u>\$ 179,525</u></u>

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3: Detailed Notes (Continued)

Depreciation (Continued)

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

Sewer	\$ 78,513
Electric	46,338
Water	<u>105,357</u>
Total Depreciation Expense -- Business-Type Functions	<u>\$ 230,208</u>

Construction in Progress

Construction in progress for business-type activities relates primarily to work performed on waste water expansion projects.

Unearned Revenue

At June 30, 2019, the components of unearned revenue reported were as follows:

Offset to Long-Term Notes Receivable	<u>\$ 595,055</u>
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Long-Term Liabilities

Long-term debt for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Adjustments/ Retirements	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities					
Loans	\$ 236,000	\$ -	\$ (6,000)	\$ 230,000	\$ 7,000
OPEB Liability (Note 5)	3,117	-	-	3,117	-
Net Pension Liability	237,043	-	(5,609)	231,434	-
Compensated Absences (Note 1)	<u>26,764</u>	<u>4,463</u>	<u>-</u>	<u>31,227</u>	<u>-</u>
Total Government Activities	<u>\$ 502,924</u>	<u>\$ 4,463</u>	<u>\$ (11,609)</u>	<u>\$ 495,778</u>	<u>\$ 7,000</u>
Business-Type Activities					
Loans	\$ 7,289,277	\$ -	\$ (138,574)	\$ 7,150,703	\$ (139,074)
OPEB Liability (Note 5)	9,150	-	-	9,150	-
Net Pension Liability	460,142	-	(10,889)	449,253	-
Compensated Absences (Note 1)	<u>62,059</u>	<u>10,143</u>	<u>-</u>	<u>72,202</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 7,820,628</u>	<u>\$ 10,143</u>	<u>\$ (149,463)</u>	<u>\$ 7,681,308</u>	<u>\$ (139,074)</u>

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3: Detailed Notes (Continued)

Long-Term Liabilities (Continued)

At June 30, 2019, loans consisted of the following:

	Government Activities	Business-Type Activities
State Water Resources Control Board Loan, issued in the amount of \$816,757. Upon meeting conditional requirements, one half of the loan proceeds will be forgiven. Loan proceeds were used for wastewater system expansion.	\$ -	\$ 816,757
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.	\$ -	\$ 114,800
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.	-	88,100
United States Department of Agriculture Loan, issued in the amount of \$3,675,000, 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.	-	3,075,000
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.	-	342,700
State Water Resources Control Board Capital Lease Agreement, in the approved amount of \$3,144,335, as amended September 11, 2015, payable in one annual installment of \$75,690 and 19 annual installments of \$97,534, 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.	-	2,713,346
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.	230,000	-
Total Loans	\$ 230,000	\$ 7,150,703

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3: Detailed Notes (Continued)

Long-Term Liabilities (Continued)

The annual aggregate maturities for the years subsequent to June 30, 2019, are as follows:

Year Ended June 30	Loans				Total
	Government Activities		Business-Type Activities		
	Principal	Interest	Principal	Interest	
2020	\$ 5,000	\$ 11,350	\$ 280,392	\$ 184,296	\$ 481,038
2021	5,000	10,365	293,994	168,195	477,554
2022	5,000	8,292	304,381	158,556	476,229
2023	5,000	7,723	313,567	148,002	474,292
2024	11,000	13,995	174,833	206,120	405,948
2025	11,000	11,450	143,046	168,643	334,139
2026-2030	44,000	42,000	1,661,783	691,870	2,439,653
2031-2035	56,000	29,500	1,597,491	840,050	2,523,041
2036-2040	72,000	13,600	1,263,902	310,528	1,660,030
2041-2045	16,000	425	1,117,314	118,344	1,252,083
Total Activities	<u>\$ 230,000</u>	<u>\$ 148,700</u>	<u>\$ 7,150,703</u>	<u>\$ 2,994,604</u>	<u>\$ 10,524,007</u>

Leases

Operating Leases

Rental expenses incurred under operating leases are not considered material.

Interfund Transactions

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3: Detailed Notes (Continued)

Interfund Transactions (Continued)

Due To/From Other Funds (Continued)

In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2019:

	Due From Other Funds	Due To Other Funds
Enterprise Funds		
Electric Utility Fund	\$ 1,700,000	\$ -
Bridge Reserve	-	2,525
WWTP Phase Two	-	1,424,206
14 SR@S Project Fund	-	250
TDA STA /SB-620	-	22,102
Solid Waste Fund	-	1,640
17 SR@ Cycle 2	-	59,219
19SR @ Cycle 2	-	80,224
2nd Street CMAQ	-	7,760
Water Tank	-	102,074
Total	\$ 1,700,000	\$ 1,700,000
Governmental Funds		
SB-620 STA Funds	\$ 22,102	\$ -
SB-325 TDA Funds	-	22,102
Total	\$ 22,102	\$ 22,102

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3: Detailed Notes *(Continued)*

Interfund Transactions *(Continued)*

Transfers

Transfers are 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, 2019:

	Transfers -- <u>Enterprise Funds</u>	Transfers -- <u>Governmental Funds</u>
General Fund	\$ -	\$ 150,000
Building Equipment Fund	-	5,000
Fire Enging Replacement Fund	-	12,000
Street Maintenance Fund	-	15,000
Sewer Fund	(9,750)	-
Water Fund	(120,000)	-
Electric Fund	(228,325)	-
Solid Waste Fund	(10,000)	-
Waste Water Phase Two	-	-
Water Improvement Fund	120,000	-
Electric Improvement Fund	56,325	-
SWRCB Loan Reserve	9,750	-
Total	<u>\$ (182,000)</u>	<u>\$ 182,000</u>

Note 4: Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at www.calpers.ca.gov.

The Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the City of Biggs. The City of Biggs's employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPRM Miscellaneous plan (PEPRM Misc.). The City of Biggs' employer rate plan in the safety risk pool is the Safety plan (Safety).

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 4: Employees' Retirement Plan (Continued)

Plan Description (Continued)

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

Employer Rate Plans in the Miscellaneous Risk Pool

Employer rate plan	<u>Miscellaneous</u>	<u>PEPRA Misc.</u>
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Montly benefit, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.912%	6.25%
Required employer contribution rates	7.634%	6.842%

Employer Rate Plans in the Safety Risk Pool

Employer rate plan	<u>Safety</u>
Hire Date	Prior to January 1, 2013
Benefit formula	2.0% @55
Benefit vesting schedule	5 years of service
Benefit payments	Monthly for life
Retirement age	50
Montly benefit, as a % of eligible compensation	1.426% to 2.0%
Required employee contribution rates	0.0%
Required employer contribution rates	0.0%

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 4: Employees' Retirement Plan (Continued)

Benefits Provided (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The City of Biggs is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City of Biggs' contributions to the risk pools in the Plan for the year ended June 30, 2019, were as follows:

	<u>Contributions</u>
Miscellaneous Risk Pool	\$ 67,225
Safety Risk Pool	12,099
Total Contributions	\$ 79,324

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

As of June 30, 2019, City of Biggs reported net pension liabilities for its proportionate shares of the net pension liability of each risk pool as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous Risk Pool	\$ 545,369
Safety Risk Pool	135,318
Total Contributions	\$ 680,687

* The proportionate share of the total NPL to each of the enterprise and internal service funds is not being allocated because it is deemed to have an immaterial effect on the financial statements.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 4: Employees' Retirement Plan *(Continued)*

Benefits Provided *(Continued)*

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

The City of Biggs' net pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

The City of Biggs' proportionate share of the net pension liability as of June 30, 2017, the valuation date, was calculated as follows:

In determining an employer's proportionate share, the employer rate plans included in the Plan were assigned to either the Miscellaneous or Safety risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans and each risk pool as of the valuation date, June 30, 2017. Each employer rate plan's fiduciary net position was subtracted from its total pension liability to obtain its net pension liability as of the valuation date. The City of Biggs' proportionate share percentage for each risk pool at the valuation date was calculated by dividing the City of Biggs' net pension liability for each of its employer rate plans within each risk pool by the net pension liability of the respective risk pool as of the valuation date.

The City of Biggs's proportionate share of the net pension liability as of June 30, 2018, the measurement date, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement date, June 30, 2018, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2018, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2018, was calculated by applying City of Biggs's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2018, to obtain the total pension liability and fiduciary net position as of June 30, 2018. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 4: Employees' Retirement Plan (Continued)

Benefits Provided (Continued)

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

The City of Biggs's proportionate share percentage of the net pension liability for each risk pool as of June 30, 2017, and June 30, 2018, was as follows:

	<u>Miscellaneous Risk Pool</u>	<u>Safety Risk Pool</u>
Proportionate at measurement date -- June 30, 2017	0.014301%	0.002233%
Proportionate at measurement date -- June 30, 2018	<u>0.014471%</u>	<u>0.002306%</u>
Change -- Increase (decrease)	<u>0.000170%</u>	<u>0.000073%</u>

For the year ended June 30, 2019, the City of Biggs recognized pension expense of \$96,546. At June 30, 2019, the City of Biggs reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 25,049	\$ (7,617)
Changes of assumptions	79,182	(17,938)
Net difference between projected and actual earnings on pension plan investments	-	(86,246)
Adjustments due to differences in proportion	27,878	(1,577)
Differences between actual and required contributions	-	(31,463)
Contributions after measurement date	<u>79,324</u>	<u>-</u>
Total	<u>\$ 211,433</u>	<u>\$ (144,841)</u>

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 4: Employees' Retirement Plan *(Continued)*

Benefits Provided *(Continued)*

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

Amounts other than contributions subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Date June 30:	Deferred Outflows/(Inflows) of Resources
2019	\$ 11,794
2020	4,927
2021	(23,327)
2022	(6,126)
2023	-
Thereafter	-
Total	<u>\$ (12,732)</u>

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 4: Employees' Retirement Plan (Continued)

Actuarial Assumptions

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

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	2.75%	2.75%
Projected salary Increase ⁽¹⁾	Varies by age and length of service	Varies by age and length of service
Investment rate of return ⁽²⁾	7.00%	7.00%
Mortality rate table ⁽³⁾	Derived using CalPERS' Membership data for all Funds	Derived using CalPERS' Membership data for II Funds

(1) Depending on age, service and type of employment

(2) Net of pension plan investment and administrative expenses; includes inflation

(3) The mortality table used was developed based on CalPERS- specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2018 based on June 30, 2017 Valuations*, that can be obtained from the CalPERS website.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 4: Employees' Retirement Plan *(Continued)*

Discount Rate *(Continued)*

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

In the December 2016 and April 2017 meetings, the Board voted to lower the funding discount rates used for the PERF. In making its decision, the Board reviewed recommendations from CalPERS team members, external pension and investment consultants, and input from employer and employee stakeholder groups. A lowered funding discount rate for the PERF will be phased in over a three-year period beginning July 1, 2018 for public agencies and school districts.

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

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 4: Employees' Retirement Plan (Continued)

Discount Rate (Continued)

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

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

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

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

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

The following presents the City of Biggs' proportionate share of the net pension liability of each risk pool as of the measurement date, calculated using the discount rate, as well as what the City of Biggs' proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
City of Biggs' proportionate share of the Miscellaneous Risk Pool's net pension liability	\$ 902,268	\$ 545,369	\$ 250,754
City of Biggs' proportionate share of the Safety Risk Pool's net pension liability	193,690	135,318	87,492
Liquidity	<u>\$1,095,958</u>	<u>\$ 680,687</u>	<u>\$ 338,246</u>

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 5: Post-Employment Health Care Benefits

Plan Description

The City provides a defined benefit healthcare plan (The “Retiree Health Plan”). The Retiree Health Plan provides lifetime healthcare insurance for eligible retirees through the CalPERS Health Benefit Program, which covers both active and retired members. Spouses are also covered throughout his or her life. The City only pays up to the required minimum employer premium contribution calculated using the unequal contribution method. Under this method, the City’s contribution for the retiree is calculated by the number of years the City has participated in CalPERS, multiplied by at least five percent (5%), and multiplied by the current employer contribution toward active employees, which is adjusted based on the medical care portion of the Consumer Price Index. Benefit provisions are established by the City Council.

Funding Policy

The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

GASB 45 does not require pre-funding of OPEB benefits. Therefore, the City’s funding policy is to continue to pay healthcare premiums for retirees as they fall due. The City has elected not to establish an irrevocable trust at this time. The City Council reserves the authority to review and amend this funding policy annually.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over the remaining period of 30 years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in its net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	15,514
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
		15,514
Annual OPEB cost (expense)		15,514
Contributions made		15,514
Increase in net OPEB obligation		-
Net OPEB obligation - Beginning of year		12,267
Net OPEB obligation - End of year	\$	12,267

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

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 5: Post-Employment Health Care Benefits *(Continued)*

Annual OPEB Cost and Net OPEB Obligation *(Continued)*

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current fiscal year is as follows:

Fiscal Year Ended	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2019	\$ 15,514	21%	\$ 12,267

Funding Status and Funding Progress

As of July 1, 2019, the actuarial accrued liability (AAL) for benefits was \$118,409, all of which was unfunded.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer as subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term prospective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.

Marital status – Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality – Life expectancies at the calculation date are based on the most recent mortality tables published by the National Center for Health Statistics website (www.cdc.gov). The calculation of OPEB liability for each year is based on the assumption that all participants will until their expected age as displayed in the mortality tables.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 5: Post-Employment Health Care Benefits *(Continued)*

Actuarial Methods and Assumptions *(Continued)*

Turnover – The probability that an employee will remain employed until the assumed retirement age was determined using non-group-specific age-based turnover date provided in Table 1 in paragraph 35 of GASB Statement No. 45. In addition, the expected future working lifetimes of employees were determined using Table 2 in paragraph 35c of GASB Statement No. 45.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was set at 4%, which is within the range recommended by CalPERS OPEB Assumption Model.

Health insurance premiums – 2009 health insurance premiums for retirees were used as a basis for calculation of the present value of total benefits to be paid.

Payroll increase – Changes in the payroll for current employees are expected to increase at a rate of approximately 2% annually.

Discount rate – The calculation uses an annual discount rate of 3%. This is based on the assumed long-term return on plan assets or employer assets.

Actuarial cost method – The entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2009, was thirty years.

Plan for Funding

On an ongoing basis, the City will be reviewing its assumptions, comparing them against actual experience and recalculating the needed funding with the goal of paying for postemployment benefits out of interest earned on designated funds.

NOTE 6: Deferred Outflows/Inflows of Resources

The City implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities as of June 30, 2015.

GASB No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no items to report in this category.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 6: Deferred Outflows/Inflows of Resources *(Continued)*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds are unavailable revenues of \$804,198 related to long-term notes and loans receivable.

On the Government-wide Statement of Net Position, deferred outflows of resources of \$229,414 represent contributions made to the City’s pension plan for the 2017-2018 fiscal year.

Deferred inflows of resources are as follows:

Net differences between projected and actual earnings on pension plan investments	\$ 94,816
Adjustment due to differences in proportions	2,454
Difference between expected and actual experience	11,849
Difference between actual and required contributions	<u>20,952</u>
Total deferred inflows of resources	<u><u>\$ 130,071</u></u>

NOTE 7: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities to participate in Small Cities Organized Risk Effort (SCORE) for general liability, vehicle liability, workers’ compensation, crime, and errors and omissions purposes. SCORE is a public entity risk pool which serves as a common risk management and insurance program for member cities. The City pays an annual premium to SCORE for its insurance coverage. The agreements with SCORE provide that they will be self-sustaining through member premiums and will reinsure through commercial companies for excess coverage.

The City continues to carry commercial insurance for all other risks of loss. Settled claims resulting from their risks have not exceeded commercial insurance in any of the past three fiscal years. There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Complete audited financial statements can be obtained from SCORE offices at 3017 Gold Canal Drive #500, Rancho Cordova, California 95670-6129.

CITY OF BIGGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7: Risk Management *(Continued)*

Joint Agencies

The California Joint Powers Risk Management Authority (CJPRMA) is a joint power authority organized to provide excess coverage for its members. The CJPRMA is governed by a board of directors representing its member cities. Complete audited financial statements can be obtained from the Claims Administrator at 574 Manzanita Avenue, Suite 12, Chico, California 95926.

NOTE 8: Other Information

Contingent Liabilities

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

Prior Period Adjustment

The prior period adjustment consists of the following:

	Governmental Funds	Proprietary Funds
Street Maintenance Reserve (Fund 16) misclassified in prior year grouping	\$ 221,732	\$ -
Adjustment in General Fund	(61,097)	-
Electrical Development Impact (Fund 101) reclassified from Other Governmental to Electric Fund	(25,956)	25,956
Water Development Impact (Fund 104) reclassified from Other Governmental to Water Fund	(139,550)	139,550
Sewer Development Impact (Fund 111) reclassified from Other Governmental to Sewer Fund (Proprietary Funds)	(234,201)	234,201
Adjusting prior year adjustment (2017) for Construction in Progress		498,050
Total - Prior Period Adjustment	\$ (239,072)	\$ 897,757

Subsequent Event

Management has evaluated events subsequent to July 1, 2018, through March 23, 2020, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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

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REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

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CITY OF BIGGS, CALIFORNIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS – UNAUDITED
 For the Year Ended June 30, 2019

Schedule of Funding Progress – Other Postemployment Benefits (OPEB)

The table below shows a one-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2019, for the City other Postemployment Benefit Plan. As additional years are available, a three-year trend analysis will be presented.

Miscellaneous Plan:

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age	Actuarial Value of Assets	Unfunded Liability (UAAL)	Funded Status	Annual Covered Payroll	UAAL as a % of Payroll
July 1, 2009	\$ 118,409	\$ -	\$118,409	0%	\$429,000	27.6%

CITY OF BIGGS, CALIFORNIA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 GENERAL FUND
 For the year ended June 30, 2019

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 194,080	\$ 194,080	\$ 196,451	\$ 2,371
Licenses and permits	10,250	10,250	8,728	(1,522)
Fines and forfeitures	250	250	951	701
Use of money	200	200	959	759
Intergovernmental	297,300	297,300	372,678	75,378
Charges for services	53,800	53,800	139,794	85,994
Other revenues	21,920	21,920	4,924	(16,996)
Total Revenues	<u>577,800</u>	<u>577,800</u>	<u>724,485</u>	<u>146,685</u>
EXPENDITURES				
Current:				
General government	263,359	263,359	327,103	(63,744)
Public ways and facilities	60,432	60,432	78,114	(17,682)
Public protection	313,000	313,000	292,471	20,529
Culture and recreation	84,614	84,614	83,220	1,394
Community development	-	-	-	-
Debt service	17,700	17,700	17,575	125
Capital outlay	5,700	5,700	-	5,700
Total Expenditures	<u>744,805</u>	<u>744,805</u>	<u>798,483</u>	<u>(53,678)</u>
Excess of Revenues Over (Under) Expenditures	<u>(167,005)</u>	<u>(167,005)</u>	<u>(73,998)</u>	<u>93,007</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	150,000	150,000	-
Transfers out	-	-	-	-
Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net Change in Fund Balance	(17,005)	(17,005)	76,002	93,007
Fund Balance - Beginning	697,992	697,992	1,104,829	406,837
Prior period adjustment	-	-	(362,592)	(362,592)
Fund Balance - Ending	<u>\$ 680,987</u>	<u>\$ 680,987</u>	<u>\$ 818,239</u>	<u>\$ 137,252</u>

The City of Biggs budgets for debt service principal and interest expenditures as a single item. For purposes of the budgetary comparison schedule, the debt service principal and interest expenditures have been combined as one item, debt service.

See the accompanying notes to the required supplementary information

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CITY OF BIGGS, CALIFORNIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)
CalPERS SAFETY RETIREMENT PLAN
Last Ten Years *

Miscellaneous Plan					
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Plan's proportion of the PERF C Net Pension Liability / (Asset)		0.005098%	0.005562%	0.005685%	0.005660%
Plan's Proportionate Share of Net Pension Liability/ (Asset)	\$ 403,115	\$ 349,977	\$ 481,247	\$ 563,753	\$ 545,369
Plan's Covered-Employee Payroll	\$ 492,302	\$ 508,363	\$ 521,330	\$ 400,223	\$ 382,835
Plan's Proportionate Share of the Net Pension Liability / (Asset) as a Percentage of its Covered-Employee Payroll	81.88%	68.84%	92.31%	140.86%	142.46%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	80.65%	83.57%	78.76%	77.60%	79.33%
Safety Plan					
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Plan's proportion of the PERF C Net Pension Liability / (Asset)	[Unknown]	0.001393%	0.001369%	0.001345%	0.001404%
Plan's Proportionate Share of Net Pension Liability/ (Asset)	\$ 80,327	\$ 95,603	\$ 118,420	\$ 133,432	\$ 135,318
Plan's Covered-Employee Payroll	\$ 42,809	\$ 44,205	\$ 45,333	\$ 46,693	\$ 48,195
Plan's Proportionate Share of the Net Pension Liability / (Asset) as a Percentage of its Covered-Employee Payroll	187.64%	216.27%	261.22%	285.76%	280.77%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.42%	77.08%	71.35%	68.91%	68.04%
Total					
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Plan's proportion of the PERF C Net Pension Liability / (Asset)	0.007769%	0.006492%	0.006930%	0.007030%	0.007064%
Plan's Proportionate Share of Net Pension Liability/ (Asset)	\$ 483,442	\$ 445,580	\$ 599,667	\$ 697,185	\$ 680,687
Plan's Covered-Employee Payroll	\$ 535,111	\$ 552,568	\$ 566,663	\$ 446,916	\$ 431,030
Plan's Proportionate Share of the Net Pension Liability / (Asset) as a Percentage of its Covered-Employee Payroll	90.34%	80.64%	105.82%	156.00%	157.92%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.42%	77.08%	71.35%	68.91%	68.04%

See the accompanying notes to the required supplementary information

CITY OF BIGGS, CALIFORNIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)
CalPERS SAFETY RETIREMENT PLAN *(Continued)*
Last Ten Years *

Notes to Schedule:

Changes of benefit terms – There were no changes to benefit terms that applied to all members of the Public Agency Pool.

Changes in assumption – The assumption for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%.

* Fiscal Year 2015 was the first year of implementation, therefor only 5 years are shown.

CITY OF BIGGS, CALIFORNIA
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
 June 30, 2019
 Last Ten Years *

Miscellaneous Plan					
	CalPERS Fiscal Year 2014-15	CalPERS Fiscal Year 2015-16	CalPERS Fiscal Year 2016-17	CalPERS Fiscal Year 2017-18	CalPERS Fiscal Year 2018-19
Actuarially determined contributions	\$ 39,693	\$ 43,518	\$ 50,147	\$ 57,271	\$ 67,226
Actual contributions during the measurement period	<u>(39,693)</u>	<u>(43,518)</u>	<u>(50,147)</u>	<u>(57,271)</u>	<u>(67,226)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 366,141	\$ 334,620	\$ 400,223	\$ 382,835	\$ 409,606
Contributions as a percentage of covered-employee	10.84%	13.01%	12.53%	14.96%	16.41%
Safety Plan					
	CalPERS Fiscal Year 2014-15	CalPERS Fiscal Year 2015-16	CalPERS Fiscal Year 2016-17	CalPERS Fiscal Year 2017-18	CalPERS Fiscal Year 2018-19
Actuarially determined contributions	\$ 3,801	\$ 4,569	\$ 5,500	\$ 10,188	\$ 12,099
Actual contributions during the measurement period	<u>(3,801)</u>	<u>(4,569)</u>	<u>(5,500)</u>	<u>(10,188)</u>	<u>(12,099)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 42,809	\$ 44,205	\$ 45,333	\$ 46,693	\$ 48,195
Contributions as a percentage of covered-employee	8.88%	10.34%	12.13%	21.82%	25.10%
Total					
	CalPERS Fiscal Year 2014-15	CalPERS Fiscal Year 2015-16	CalPERS Fiscal Year 2016-17	CalPERS Fiscal Year 2017-18	CalPERS Fiscal Year 2018-19
Actuarially determined contributions	\$ 43,494	\$ 48,087	\$ 55,647	\$ 67,459	\$ 79,325
Actual contributions during the measurement period	<u>(43,494)</u>	<u>(48,087)</u>	<u>(55,647)</u>	<u>(67,459)</u>	<u>(79,325)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 408,950	\$ 378,825	\$ 445,556	\$ 429,528	\$ 457,801
Contributions as a percentage of covered-employee	10.64%	12.69%	12.49%	15.71%	17.33%

* Fiscal Year 2015 was the first year of implementation, therefore only 5 years are shown.

See the accompanying notes to the required supplementary information

CITY OF BIGGS, CALIFORNIA
SCHEDULES TO FOOTNOTES
BUDGET AND APPROPRIATIONS
For the year ended June 30, 2019

Schedule of Excess Expenditures:

Fund	Appropriations	Expenditures	Excess Expenditures
Building / Equipment Fund	\$ 5,619	\$ 62,197	\$ 56,578
CFD N Biggs	-	20,401	20,401
39 Fire Truck	64	119	55
WWTP Phase Two	-	489,124	489,124
Gas Tax Fund	45,005	238,899	193,894
NCPA GOR Reserve	42,135	105,687	63,552
TDA LTF/SB-325	62,275	93,580	31,305
2nd Street CMAQ	-	8,833	8,833
SR2S Cycle 4	1,024	72,901	71,877
Water Improvement Fund	233,383	262,462	29,079
	<u>\$ 389,505</u>	<u>\$ 1,354,203</u>	<u>\$ 964,698</u>

Schedule of Deficit Fund Balances:

Fund	Defecit Fund Balance
Bridge Reserve	(2,525)
14SR2S Project	(250)
SR2S Cycle 2	(123,070)
SR2S Cycle 4	(12,220)
Sewer Improvement Fund	\$ (605,313)
	<u>\$ (743,378)</u>

CITY OF BIGGS, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the year ended June 30, 2019

Schedule of Funding Progress – Other Postemployment Benefits (OPEB)

The Schedule of Funding Progress – Other Postemployment Benefits on Page 65, presents a consolidated snapshot of the City’s ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan’s level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

Budgetary Basis of Accounting

The approved City procedures for establishing the budgetary data reflected in the financial statements is as follows:

In May of each year, the Finance Department is to submit to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and estimated revenues.

Public hearings are to be conducted at City Hall to obtain taxpayer comments.

Generally, by the first of July, after adjustment as appropriate by the City Council, the budget is to be legally enacted through council motion.

Council approval is required for transfers between funds, or for an increase in total appropriations. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.)

Formal budgetary integration is employed as a management control device during the year for the General fund, and Special Revenue funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant adjustments. The HOME Grant major special revenue fund did not have a legally adopted budget.

All unused appropriations for budgeted amounts lapse at the end of the year.

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

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

COMBINING NONMAJOR FUND STATEMENTS

Unaudited

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NONMAJOR GOVERNMENTAL FUNDS

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CITY OF BIGGS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2019

	Gas Tax	Curb / Gutter Lane	SR2S Project	SB-325 TDA Funds
ASSETS				
Cash and investments	\$ 54,730	\$ -	\$ (250)	\$ 129,657
Accounts receivable (net of allowance)	-	-	-	-
Due from other governments	3,981	-	-	-
Due from other funds	-	-	-	-
Land	-	-	-	-
Loans receivable	-	870	-	-
Total Assets	<u>\$ 58,711</u>	<u>\$ 870</u>	<u>\$ (250)</u>	<u>\$ 129,657</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	456	-	-	890
Retentions payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	22,102
Due to other governments	-	-	-	-
Agency obligations	-	-	-	-
Unearned revenue	-	870	-	-
Total Liabilities	<u>456</u>	<u>870</u>	<u>-</u>	<u>22,992</u>
FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved:				
Undesignated	<u>58,255</u>	<u>-</u>	<u>(250)</u>	<u>106,665</u>
Total Fund Balances	<u>58,255</u>	<u>-</u>	<u>(250)</u>	<u>106,665</u>
Total Liabilities and Fund Balances	<u>\$ 58,711</u>	<u>\$ 870</u>	<u>\$ (250)</u>	<u>\$ 129,657</u>

Continued on next page

CITY OF BIGGS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	<u>Traffic Congestion</u>	<u>Betzler / Summit</u>	<u>SB-620 STA Funds</u>	<u>RSTP Exchange</u>
ASSETS				
Cash and investments	\$ 4,348	\$ 8,794	\$ (22,102)	\$ 113,911
Accounts receivable (net of allowance)	-	-	-	-
Due from other governments	-	-	-	17,608
Due from other funds	-	-	22,102	-
Land	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 4,348</u>	<u>\$ 8,794</u>	<u>\$ -</u>	<u>\$ 131,519</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	-	-	-	10
Retentions payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Agency obligations	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>
FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved:				
Undesignated	<u>4,348</u>	<u>8,794</u>	<u>-</u>	<u>131,509</u>
Total Fund Balances	<u>4,348</u>	<u>8,794</u>	<u>-</u>	<u>131,509</u>
Total Liabilities and Fund Balances	<u>\$ 4,348</u>	<u>\$ 8,794</u>	<u>\$ -</u>	<u>\$ 131,519</u>

Continued on next page

CITY OF BIGGS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	<u>Gas Tax 2032</u>	<u>HOME Grant</u>	<u>2nd Street CMAQ</u>	<u>SunWest Expansion</u>
ASSETS				
Cash and investments	\$ 40,166	\$ 101,753	\$ (7,760)	\$ 11,215
Accounts receivable (net of allowance)	-	-	-	-
Due from other governments	6,261	-	-	-
Due from other funds	-	-	-	-
Land	-	-	-	-
Loans receivable	-	563,622	-	-
Total Assets	<u>\$ 46,427</u>	<u>\$ 665,375</u>	<u>\$ (7,760)</u>	<u>\$ 11,215</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	-	-	1,073	-
Retentions payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Agency obligations	-	-	-	-
Unearned revenue	-	563,622	-	-
Total Liabilities	<u>-</u>	<u>563,622</u>	<u>1,073</u>	<u>-</u>
FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved:				
Undesignated	<u>46,427</u>	<u>101,753</u>	<u>(8,833)</u>	<u>11,215</u>
Total Fund Balances	<u>46,427</u>	<u>101,753</u>	<u>(8,833)</u>	<u>11,215</u>
Total Liabilities and Fund Balances	<u>\$ 46,427</u>	<u>\$ 665,375</u>	<u>\$ (7,760)</u>	<u>\$ 11,215</u>

Continued on next page

CITY OF BIGGS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	<u>1982 CDBG</u>	<u>CDBG Miscellaneous</u>	<u>1994 CDBG</u>	<u>SR2S Cycle 2 Project</u>
ASSETS				
Cash and investments	\$ 922	\$ 15,620	\$ 113,833	\$ (59,219)
Accounts receivable (net of allowance)	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Land	-	-	-	-
Loans receivable	-	-	30,563	-
Total Assets	<u>\$ 922</u>	<u>\$ 15,620</u>	<u>\$ 144,396</u>	<u>\$ (59,219)</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	-	-	-	-
Retentions payable	-	-	-	5,000
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Agency obligations	-	-	-	-
Unearned revenue	-	-	30,563	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>30,563</u>	<u>5,000</u>
FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved:				
Undesignated	<u>922</u>	<u>15,620</u>	<u>113,833</u>	<u>(64,219)</u>
Total Fund Balances	<u>922</u>	<u>15,620</u>	<u>113,833</u>	<u>(64,219)</u>
Total Liabilities and Fund Balances	<u>\$ 922</u>	<u>\$ 15,620</u>	<u>\$ 144,396</u>	<u>\$ (59,219)</u>

Continued on next page

CITY OF BIGGS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	SR2S Cycle 4 Project	86 HUD Grant	CFD N Biggs	SunWest Packaging
ASSETS				
Cash and investments	\$ (80,224)	\$ 24,374	\$ 6,225	\$ 4,768
Accounts receivable (net of allowance)	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Land	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ (80,224)</u>	<u>\$ 24,374</u>	<u>\$ 6,225</u>	<u>\$ 4,768</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	3,874	-	524	-
Retentions payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Agency obligations	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>3,874</u>	<u>-</u>	<u>524</u>	<u>-</u>
FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved:				
Undesignated	<u>(84,098)</u>	<u>24,374</u>	<u>5,701</u>	<u>4,768</u>
Total Fund Balances	<u>(84,098)</u>	<u>24,374</u>	<u>5,701</u>	<u>4,768</u>
Total Liabilities and Fund Balances	<u>\$ (80,224)</u>	<u>\$ 24,374</u>	<u>\$ 6,225</u>	<u>\$ 4,768</u>

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CITY OF BIGGS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	<u>Hometown Celebration</u>	<u>Building/ Equipment</u>	<u>'39 Fire Truck</u>	<u>Developer Fees</u>
ASSETS				
Cash and investments	\$ 45	\$ 96,597	\$ 9,862	\$ 402,423
Accounts receivable (net of allowance)	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Land	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 45</u>	<u>\$ 96,597</u>	<u>\$ 9,862</u>	<u>\$ 402,423</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	-	-	119	-
Retentions payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Agency obligations	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>119</u>	<u>-</u>
FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved:				
Undesignated	<u>45</u>	<u>96,597</u>	<u>9,743</u>	<u>402,423</u>
Total Fund Balances	<u>45</u>	<u>96,597</u>	<u>9,743</u>	<u>402,423</u>
Total Liabilities and Fund Balances	<u>\$ 45</u>	<u>\$ 96,597</u>	<u>\$ 9,862</u>	<u>\$ 402,423</u>

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CITY OF BIGGS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	<u>Fire Engine Replacement</u>	<u>Bridge Reserve</u>	<u>Detention Basin</u>	<u>Street Maintenance Reserve</u>
ASSETS				
Cash and investments	\$ 230,276	\$ (2,525)	\$ 16,713	\$ 252,242
Accounts receivable (net of allowance)	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Land	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u>\$ 230,276</u>	<u>\$ (2,525)</u>	<u>\$ 16,713</u>	<u>\$ 252,242</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	-	-	-	-
Retentions payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Agency obligations	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Reserved for:				
Loans receivable	-	-	-	-
Unreserved:				
Undesignated	<u>230,276</u>	<u>(2,525)</u>	<u>16,713</u>	<u>252,242</u>
Total Fund Balances	<u>230,276</u>	<u>(2,525)</u>	<u>16,713</u>	<u>252,242</u>
Total Liabilities and Fund Balances	<u>\$ 230,276</u>	<u>\$ (2,525)</u>	<u>\$ 16,713</u>	<u>\$ 252,242</u>

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CITY OF BIGGS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	<u>01-STBG- 1797</u>	<u>Public Works Facility Reserve</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 23,523	\$ 17,890	\$ 1,507,807
Accounts receivable (net of allowance)	-	-	-
Due from other governments	-	-	27,850
Due from other funds	-	-	22,102
Land	-	-	-
Loans receivable	230,022	-	825,077
Total Assets	<u>\$ 253,545</u>	<u>\$ 17,890</u>	<u>\$ 2,382,836</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	-	-	6,946
Retentions payable	-	-	5,000
Deposits payable	-	-	-
Due to other funds	-	-	22,102
Due to other governments	-	-	-
Agency obligations	-	-	-
Unearned revenue	230,022	-	825,077
Total Liabilities	<u>230,022</u>	<u>-</u>	<u>859,125</u>
FUND BALANCES			
Reserved for:			
Loans receivable	-	-	-
Unreserved:			
Undesignated	23,523	17,890	1,523,711
Total Fund Balances	<u>23,523</u>	<u>17,890</u>	<u>1,523,711</u>
Total Liabilities and Fund Balances	<u>\$ 253,545</u>	<u>\$ 17,890</u>	<u>\$ 2,382,836</u>

CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2019

	<u>Gas Tax</u>	<u>Curb / Gutter Lane</u>	<u>SR2S Project</u>	<u>SB-325 TDA Funds</u>
REVENUES				
Taxes and assessments	\$ 45,587	\$ -	\$ -	\$ 66,100
Use of money	2,786	-	-	2,175
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>48,373</u>	<u>-</u>	<u>-</u>	<u>68,275</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public ways and facilities	238,899	-	-	93,580
Public protection	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>238,899</u>	<u>-</u>	<u>-</u>	<u>93,580</u>
Excess of Revenues Over (Under) Expenditures	<u>(190,526)</u>	<u>-</u>	<u>-</u>	<u>(25,305)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(190,526)	-	-	(25,305)
Fund Balances - Beginning	248,781	-	(250)	131,970
Prior Period Adjustment	-	-	-	-
Fund Balances - Ending	<u>\$ 58,255</u>	<u>\$ -</u>	<u>\$ (250)</u>	<u>\$ 106,665</u>

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CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	Traffic Congestion	Betzler / Summit	SB-620 STA Funds	RSTP Exchange
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ 8,048	\$ -
Use of money	21	58	-	745
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenues	2,157	-	-	17,609
Total Revenues	<u>2,178</u>	<u>58</u>	<u>8,048</u>	<u>18,354</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public ways and facilities	-	-	8,052	127
Public protection	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>8,052</u>	<u>127</u>
Excess of Revenues Over (Under) Expenditures	<u>2,178</u>	<u>58</u>	<u>(4)</u>	<u>18,227</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,178	58	(4)	18,227
Fund Balances - Beginning	2,170	8,736	4	113,282
Prior Period Adjustment	-	-	-	-
Fund Balances - Ending	<u>\$ 4,348</u>	<u>\$ 8,794</u>	<u>\$ -</u>	<u>\$ 131,509</u>

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CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	Gas Tax 2032	HOME Grant	2nd Street CMAQ	SunWest Expansion
REVENUES				
Taxes and assessments	\$ 35,081	\$ -	\$ -	\$ -
Use of money	174	657	-	73
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	3,510	-	-
Total Revenues	<u>35,255</u>	<u>4,167</u>	<u>-</u>	<u>73</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public ways and facilities	-	-	8,952	-
Public protection	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>8,952</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>35,255</u>	<u>4,167</u>	<u>(8,952)</u>	<u>73</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	35,255	4,167	(8,952)	73
Fund Balances - Beginning	11,172	97,586	119	11,142
Prior Period Adjustment	-	-	-	-
Fund Balances - Ending	<u>\$ 46,427</u>	<u>\$ 101,753</u>	<u>\$ (8,833)</u>	<u>\$ 11,215</u>

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CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	1982 CDBG	CDBG Miscellaneous	1994 CDBG	SR2S Cycle 2 Project
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money	2	102	730	-
Intergovernmental	-	-	-	691,420
Charges for services	-	-	-	-
Other revenues	870	-	4,982	-
Total Revenues	<u>872</u>	<u>102</u>	<u>5,712</u>	<u>691,420</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public ways and facilities	-	-	-	632,569
Public protection	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>632,569</u>
Excess of Revenues Over (Under) Expenditures	<u>872</u>	<u>102</u>	<u>5,712</u>	<u>58,851</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	872	102	5,712	58,851
Fund Balances - Beginning	50	15,518	108,121	(123,070)
Prior Period Adjustment	-	-	-	-
Fund Balances - Ending	<u>\$ 922</u>	<u>\$ 15,620</u>	<u>\$ 113,833</u>	<u>\$ (64,219)</u>

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CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	SR2S Cycle 4 Project	86 HUD Grant	CFD N Biggs	SunWest Packaging
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ 22,424	\$ 31
Use of money	-	159	-	-
Intergovernmental	1,024	-	-	-
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>1,024</u>	<u>159</u>	<u>22,424</u>	<u>31</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public ways and facilities	72,901	-	20,401	-
Public protection	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>72,901</u>	<u>-</u>	<u>20,401</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(71,877)</u>	<u>159</u>	<u>2,023</u>	<u>31</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(71,877)	159	2,023	31
Fund Balances - Beginning	(12,221)	24,215	3,678	4,737
Prior Period Adjustment	-	-	-	-
Fund Balances - Ending	<u>\$ (84,098)</u>	<u>\$ 24,374</u>	<u>\$ 5,701</u>	<u>\$ 4,768</u>

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CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	<u>Hometown Celebration</u>	<u>Building/ Equipment</u>	<u>'39 Fire Truck</u>	<u>Developer Fees</u>
REVENUES				
Taxes and assessments	\$ -	\$ 619	\$ -	\$ -
Use of money	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenues	20	-	-	-
Total Revenues	<u>20</u>	<u>619</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public ways and facilities	-	-	-	-
Public protection	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>20</u>	<u>619</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	5,000	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	20	5,619	-	-
Fund Balances - Beginning	25	90,978	9,743	278,903
Prior Period Adjustment	-	-	-	123,520
Fund Balances - Ending	<u>\$ 45</u>	<u>\$ 96,597</u>	<u>\$ 9,743</u>	<u>\$ 402,423</u>

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CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	Fire Engine Replacement	Bridge Reserve	Detention Basin	Street Maintenance Reserve
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money	2,475	-	109	2,553
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>2,475</u>	<u>-</u>	<u>109</u>	<u>2,553</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public ways and facilities	-	-	-	-
Public protection	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>2,475</u>	<u>-</u>	<u>109</u>	<u>2,553</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,000	-	-	15,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Net Change in Fund Balances	14,475	-	109	17,553
Fund Balances - Beginning	215,801	(2,525)	16,604	234,689
Prior Period Adjustment	-	-	-	-
Fund Balances - Ending	<u>\$ 230,276</u>	<u>\$ (2,525)</u>	<u>\$ 16,713</u>	<u>\$ 252,242</u>

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CITY OF BIGGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2019

	01-STBG- 1797	Public Works Facility Reserve	Totals
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ 177,890
Use of money	90	117	13,026
Intergovernmental	-	-	692,444
Charges for services	-	-	-
Other revenues	19,519	-	48,667
Total Revenues	19,609	117	932,027
EXPENDITURES			
Current:			
General government	-	-	-
Public ways and facilities	-	-	1,075,481
Public protection	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Capital outlay	-	-	-
Total Expenditures	-	-	1,075,481
Excess of Revenues Over (Under) Expenditures	19,609	117	(143,454)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	32,000
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	32,000
Net Change in Fund Balances	19,609	117	(111,454)
Fund Balances - Beginning	3,914	17,773	1,511,645
Prior Period Adjustment	-	-	123,520
Fund Balances - Ending	\$ 23,523	\$ 17,890	\$ 1,523,711

NONMAJOR PROPRIETARY FUNDS

Unaudited

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CITY OF BIGGS, CALIFORNIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUND – SOLID WASTE
June 30, 2019

	Solid Waste	Total
ASSETS		
Current Assets		
Cash and investments	\$ (1,640)	\$ (1,640)
Accounts receivable (net of allowance)	28,908	28,908
Total Current Assets	27,268	27,268
Total Assets	\$ 27,268	\$ 27,268
LIABILITIES		
Accounts payable	\$ 918	\$ 918
Due to other funds	-	-
Compensated absences	2,704	2,704
OPEB liability	290	290
Total Liabilities	\$ 3,912	\$ 3,912
NET POSITION		
Unrestricted	23,356	23,356
Total Net Position	\$ 23,356	\$ 23,356

CITY OF BIGGS, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUND – SOLID WASTE
For the Year Ended June 30, 2019

	Solid Waste	Total
OPERATING REVENUES		
Charges for services	\$ 209,853	\$ 209,853
Total Operating Revenues	209,853	209,853
OPERATING EXPENSES		
Personnel cost	\$ 17,932	\$ 17,932
Supplies	-	-
Maintenance and operations	11,016	11,016
Contractual services	166,457	166,457
Other	-	-
Total Operating Expenses	195,405	195,405
Operating Income (Loss)	14,448	14,448
NON-OPERATING REVENUES (EXPENSES)		
Interest income	2,666	2,666
Other revenue	14	14
Total Non-Operating Revenues (Expenses)	2,680	2,680
Income (Loss) Before Transfers	17,128	17,128
Transfers in	-	-
Transfers out	(10,000)	(10,000)
Total Other Financing Sources (Uses)	(10,000)	(10,000)
Net Change in Fund Balance	7,128	7,128
Total Net Position -- Beginning	16,228	16,228
Prior period adjustment	-	-
Total Net Position -- Ending	\$ 23,356	\$ 23,356

CITY OF BIGGS, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND – SOLID WASTE
For the Year Ended June 30, 2019

	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 209,316	\$ 209,316
Payments to suppliers	(176,484)	(176,484)
Payments to employees	(18,282)	(18,282)
Net Cash Provided (Used) by Operating Activities	14,550	14,550
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to other funds	\$ (10,000)	\$ (10,000)
Interfund loans repaid	-	-
Interfund loans received	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(10,000)	(10,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	2,680	2,680
Net Cash Provided (Used) by Investing Activities	2,680	2,680
Net Increase (Decrease) in Cash and Cash Equivalents	7,230	7,230
Balances - Beginning of the Year	(8,870)	(8,870)
Balances - End of the Year	\$ (1,640)	\$ (1,640)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 14,448	\$ 14,448
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease (increase) in:		
Accounts receivable	(537)	(537)
Prepaid power	-	-
Increase (decrease) in:		
Accounts payable	289	289
Compensated absences	350	350
OPEB liability	-	-
Net Cash Provided (Used) by Operating Activities	\$ 14,550	\$ 14,550

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OTHER REPORTS AND SCHEDULES

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

I have audited, in accordance with the 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, California (City), as of and for the year ended June 30 , 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued my report thereon dated March 23, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the effectiveness of the City's internal control. Accordingly, I do not express an opinion on the effectiveness of the City'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 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 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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's financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with

those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control over 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "David D. Bruner, CPA". The signature is written in a cursive style with a large initial 'D' and 'B'.

David D. Bruner CPA, Inc.
Merced, California
March 23, 2020