

# **CITY OF COLUSA, CALIFORNIA**



**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2022**

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**CITY OF COLUSA**  
**Annual Financial Report**  
**For the Year Ended June 30, 2022**

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## **INTRODUCTORY SECTION**

- **List of Officials**

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**CITY OF COLUSA**  
**List of Officials**  
**For the Year Ended June 30, 2022**

**City Officials**

Thomas Reische	Mayor
Daniel Vaca	Mayor Pro-Tem
Greg Ponciano	Member
Denise Conrado	Member
Joshua Hill	Member

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## **FINANCIAL SECTION**

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

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members of the City Council  
City of Colusa  
Colusa, California

**Report on the Audit of the Financial Statements****Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Colusa, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Honorable Mayor and Members of the City Council  
City of Colusa  
Colusa, California

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Honorable Mayor and Members of the City Council  
City of Colusa  
Colusa, California

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

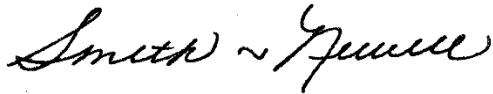
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and Members of the City Council  
City of Colusa  
Colusa, California

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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, appearing to read "Smith & Newell", written in a cursive style.

Smith & Newell CPAs  
Yuba City, California  
December 14, 2022

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

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**CITY OF COLUSA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

This discussion and analysis of the City of Colusa's (City) financial performance provide an overview of the City's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the accompanying basic financial statements and the notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

The City's government-wide total assets exceeded liabilities (net position) at the close of the fiscal year by \$23.68 million. Of this amount, (\$2.4) million is in unrestricted net position, which is generally available to meet the City's ongoing commitments to citizens and creditors. Net position continues to include recognition of \$5.1 million in net pension liability consistent with the implementation of accounting standards prescribed by Governmental Accounting Standards Board Statement No. 68 (GASB 68). Additionally, net position also includes recognition of \$584,359 in net Other Post-Employment Benefits (OPEB) consistent with the FY 2018-19 implementation of GASB 75.

The City's governmental activities ended the year with a total net position (deficit) of \$6.9 million. Of this balance, (\$4.2) million is unrestricted and available and again includes recognition of net pension liability of \$4.7 million; and \$.39 million in net OPEB liability consistent with GASB 68 and 75.

The City's General Fund ended the year with a fund balance of \$3.43 million, of which \$3.37 million is unassigned.

The City's business type activities ended the year with a total net position of \$16.8 million. Of this balance, \$1.8 million is unrestricted and available for spending in each of the component business type activities - \$3.5 million in Water Operations, (\$1.9) million in Sewer Operations, and \$142,509 in other enterprise funds.

Completed major capital projects and acquisitions include new technology and equipment for the police and fire departments; a new Caterpillar; new trucks for water, sewer, fire, and police departments; funds applied towards city-wide roadway and overlay projects; a tractor and water pump for the water department; rehabilitation of two wells and an ultraviolet rebuild and infrastructure for the sewer department. Additionally, ongoing construction-in-progress expenditures were incurred towards CalTrans COOP and Bridge Street Improvement Projects in the water department; and Wastewater Treatment Plant and Collection System Upgrade Project in the sewer department.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. These statements include all activities of the City of Colusa using the integrated approach as prescribed by GASB Statement No. 34. The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services are financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

**CITY OF COLUSA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

**GOVERNMENT-WIDE STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. As previously discussed, the City continues to recognize throughout the government-wide financial statements the City's net pension liability consistent with GASB 68. Beginning with Fiscal Year 2018-19, the City also recognizes throughout the government-wide financial statements the City's net OPEB liability consistent with the implementation of GASB 75. All of the current year's revenues and expenses are taken into account regardless of when cash is received.

The Statement of Net Position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the City's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed in the most recent fiscal year. All changes of net position are reported as soon as the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported on this statement for some items that will result in cash flows in future fiscal periods (i.e., earned but unused vacation leave).

The government-wide financial statements of the City are divided as follows:

**Governmental Activities:** Most of the City's basic services are included here such as public safety, public works (streets and roads), community development, culture and recreation, and general government. These services are primarily financed by property and sales taxes, federal and state grants, and fees and charges for services.

**Business-Type Activities:** The City charges fees to customers to cover the costs of services provided. The City's sewer operations, water operations and solid waste/corporation yard remodel are included in business-type activities.

The government-wide financial statements can be found on pages 13-15 of this report.

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law or by financial covenants. Management established other funds to control and manage money for particular purposes or to show the City is meeting legal responsibilities for using certain taxes, grants and other money. All the funds of the City can be classified into two categories: governmental funds and proprietary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information is useful in evaluating a government's near-term financing requirements.

**CITY OF COLUSA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide reconciliations between governmental funds and governmental activities. These reconciliations explain the relationship (or differences) between the fund statements and the government-wide statements. The basic governmental fund financial statements can be found on pages 16-19 of this report.

**Proprietary Funds.** The City utilizes enterprise funds (one type of proprietary fund) to account for those activities that are supported primarily by user charges to external users, specifically sewer operations, water operations and the former solid waste/corporation yard remodel activities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer, water and former solid waste/corporation yard remodel activities. The basic proprietary fund financial statements can be found on pages 20-24 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the financial statements can be found on pages 25-54 of this report.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

Below is a table showing the City's net position for the fiscal year ended June 30, 2022.

City of Colusa Net Position							
	Governmental Activities		Business-Type Activities		Total Activities		Total Percentage Change
	2021	2022	2021	2022	2021	2022	
Current and other assets	\$ 9,254,493	\$ 10,564,096	\$ 9,119,819	\$ 9,235,019	\$ 18,374,312	\$ 19,799,115	7.8%
Capital assets	7,112,273	6,845,884	30,315,054	28,702,372	37,427,327	35,548,256	-5.0%
<b>Total Assets</b>	<b>16,366,766</b>	<b>17,409,980</b>	<b>39,434,873</b>	<b>37,937,391</b>	<b>55,801,639</b>	<b>55,347,371</b>	-0.8%
Employer pension contributions	1,372,676	1,371,981	198,332	294,257	1,571,008	1,666,238	6.1%
Employer OPEB contributions	247,310	281,968	98,973	110,898	346,283	392,866	13.5%
<b>Total Deferred Outflows of Resources</b>	<b>1,619,986</b>	<b>1,653,949</b>	<b>297,305</b>	<b>405,155</b>	<b>1,917,291</b>	<b>2,059,104</b>	7.4%
Current liabilities	290,702	465,516	651,899	259,285	942,601	724,801	-23.1%
Long-term liabilities	7,544,858	5,258,459	21,563,401	20,346,423	29,108,259	25,604,882	-12.0%
<b>Total Liabilities</b>	<b>7,835,560</b>	<b>5,723,975</b>	<b>22,215,300</b>	<b>20,605,708</b>	<b>30,050,860</b>	<b>26,329,683</b>	-12.4%
Deferred pension adjustments	276,239	3,369,205	39,913	722,616	316,152	4,091,821	1194.3%
Deferred OPEB adjustments	462,615	584,816	186,962	229,009	649,577	813,825	25.3%
Deferred housing loan payments	2,597,417	2,493,691	-	-	2,597,417	2,493,691	-4.0%
<b>Total Deferred Inflows of Resources</b>	<b>3,336,271</b>	<b>6,447,712</b>	<b>226,875</b>	<b>951,625</b>	<b>3,563,146</b>	<b>7,399,337</b>	107.7%
Net position							
Invested in capital assets							
net of related debt	7,078,182	6,827,737	10,057,618	9,075,352	17,135,800	15,903,089	-7.2%
Restricted	3,247,807	4,253,483	5,872,951	5,950,451	9,120,758	10,203,934	11.9%
Unrestricted	(3,511,068)	(4,188,978)	1,359,434	1,759,410	(2,151,634)	(2,429,568)	12.9%
<b>Total Net Position</b>	<b>\$ 6,814,921</b>	<b>\$ 6,892,242</b>	<b>\$ 17,290,003</b>	<b>\$ 16,785,213</b>	<b>\$ 24,104,924</b>	<b>\$ 23,677,455</b>	-1.8%

**CITY OF COLUSA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

As of June 30, 2022, the City's government-wide total assets exceeded liabilities (net position) by \$23.7 million. Governmental activities finished the year with a positive net position balance of \$6.9 million.

Business-type activities finished the year with a positive balance of \$16.8 million. Again, as previously discussed, net position continues to include recognition of \$5.1 million in net pension liability (\$4.7 million in Government Activities and \$0.45 million in Business-Type Activities) consistent with the implementation of accounting standards prescribed by Governmental Accounting Standards Board Statement No. 68 (GASB 68). Also, net position includes recognition of \$.58 million in net OPEB liability (\$396,884 in Governmental Activities and \$187,475 in Business Type Activities) consistent with the implementation of GASB 75. As noted earlier, net position may serve over time as a useful indicator the City's financial position.

Of the total net position, \$15.9 million is the City's investment in capital assets (i.e. land, buildings and improvements, machinery and equipment and the road infrastructure) less any related debt used to acquire those assets still outstanding. In fiscal year 2021-22, the City acquired new technology and equipment for the police and fire departments; a new rescue pumper for the fire department; Splash pad, funds were applied towards city-wide roadway and overlay projects; water pumps were purchased for the water department; and an ultraviolet rebuild and infrastructure was completed for the sewer department. Additionally, ongoing construction-in-progress expenditures were incurred towards CalTrans COOP and Bridge Street Improvement Projects in the water department, and Wastewater Treatment Plant and Collection System Upgrade Project in the sewer department.

The City's long-term liabilities include debt incurred to finance certain improvements to the City's wastewater treatment system and pump station and the expansion of the wastewater treatment plant. Long-term liabilities also include outstanding capital lease payments to be made towards a mower, compensated absences payable, net Other Postemployment Benefits (OPEB), and CalPERS Pension obligations. Descriptions of these long-term liabilities can be found in notes 7, 8, 11 and 12 of the notes to the basic financial statements.

Restricted net position amounts to \$10.2 million, or 43 percent of total net position. Restricted net position includes those resources that are subject to external restrictions on how they may be used. These restrictions are established by financial covenants or restrictions on the use of funds by state or federal regulations.

Unrestricted net position represents those resources which may be used to meet the City's ongoing commitments to citizens and creditors. Total unrestricted net position is (\$2.4) million or 10.26 percent of total net position. Governmental activities account for a deficit position of (\$4.2) million of total unrestricted net position. Business-type activities account for \$1.8 million of the total unrestricted net position. The City can use unrestricted net position of the sewer operations, water operations, and former solid waste/corporation yard remodel funds to finance their continuing operations. Unrestricted net position in governmental activities decrease by \$677,910 primarily because of the increase in pension liabilities and deferred inflows of resources including certain payables and deferred payments on HOME/CDBG loans.

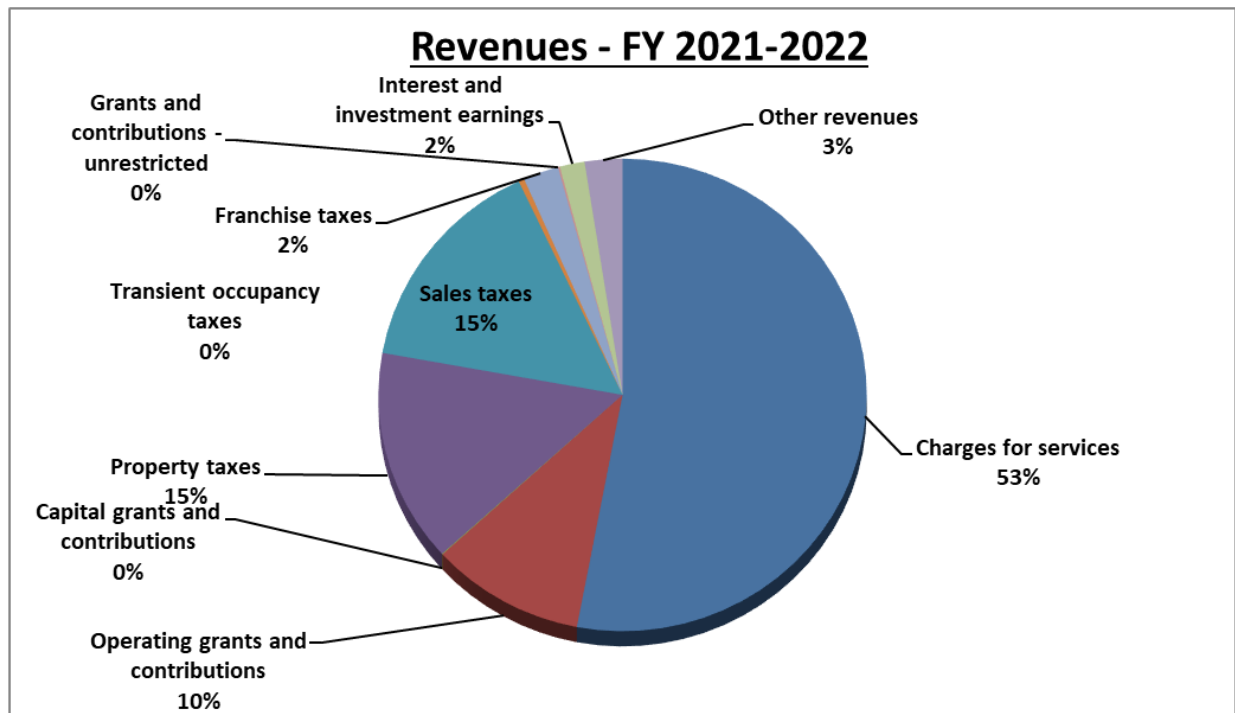
## **NET POSITION**

Governmental activities account for \$6.9 million or 29.10 percent of the total government-wide net position. Business-type activities account for \$16.78 million or 70.9 percent of total government-wide net position. The following tables and graphs list key components (revenues and expenditures) of net position and highlight the changes between fiscal year 2020-21 and fiscal year 2021-22 for both governmental activities and business-type activities:

**CITY OF COLUSA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

City of Colusa  
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Activities		Total Percentage Change
	2021	2022	2021	2022	2021	2022	
Revenues							
<i>Program Revenues</i>							
Charges for services	\$ 1,568,278	\$ 1,494,604	\$ 4,446,848	\$ 4,571,777	\$ 6,015,126	\$ 6,066,381	0.9%
Operating grants and contributions	814,336	1,167,906	-	-	814,336	1,167,906	43.4%
Capital grants and contributions	91,662	5,780	606,112	-	697,774	5,780	-99.2%
<i>General Revenues</i>							
Property taxes	1,577,193	1,670,279	-	-	1,577,193	1,670,279	5.9%
Sales taxes	1,830,066	1,733,940	-	-	1,830,066	1,733,940	-5.3%
Transient occupancy taxes	35,391	43,364	-	-	35,391	43,364	22.5%
Franchise taxes	254,714	269,547	-	-	254,714	269,547	5.8%
Grants and contributions - unrestricted	4,529	13,743	-	-	4,529	13,743	203.4%
Interest and investment earnings	20,742	45,006	171,031	143,994	191,773	189,000	-1.4%
Other revenues	222,736	285,897	-	-	222,736	285,897	28.4%
<b>Total Revenues</b>	<b>\$ 6,419,647</b>	<b>\$ 6,730,066</b>	<b>\$ 5,223,991</b>	<b>\$ 4,715,771</b>	<b>\$ 11,643,638</b>	<b>\$ 11,445,837</b>	<b>-1.7%</b>



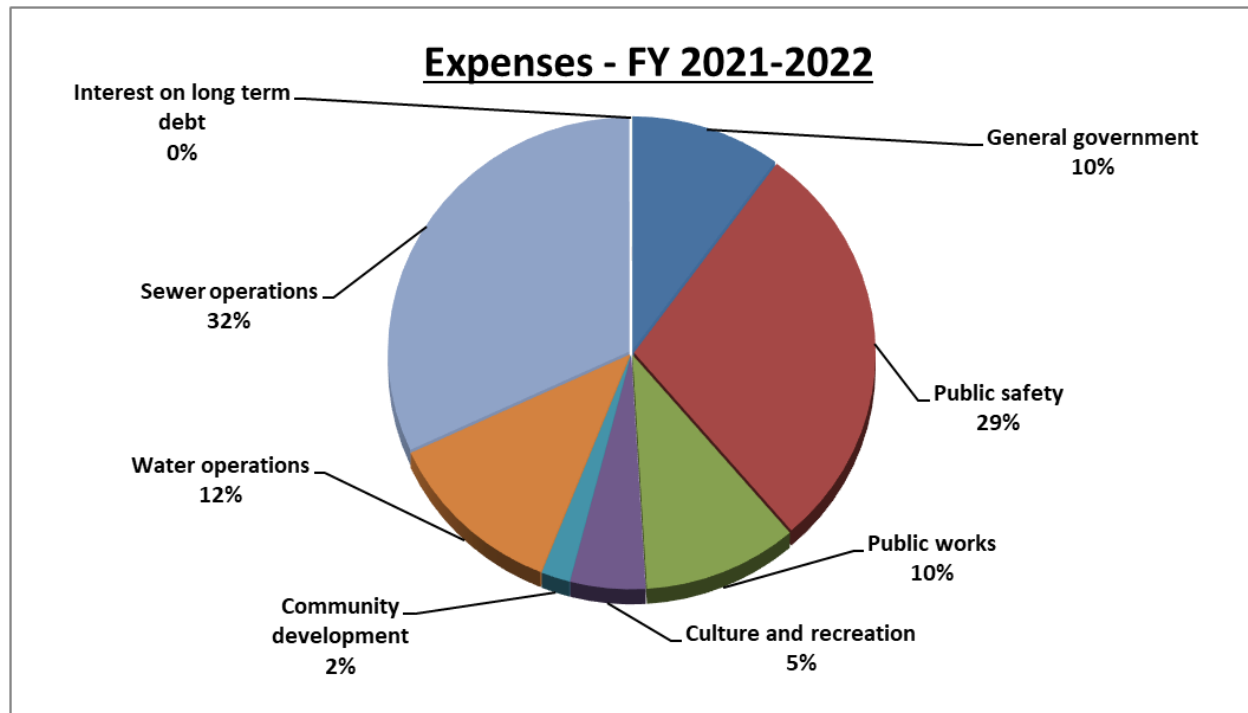
Total governmental activities revenues for fiscal year 2021-22 were \$6.7 million, an increase of \$310,419 or 4.84 percent when compared to fiscal year 2020-21. The net increase in governmental revenues can be attributed to increased collections in charges for services related to development and capital grants and contributions and increase in property tax revenue.

Total business-type revenues for fiscal year 2021-22 were 4.7 million, a decrease of \$508,220 when compared to fiscal year 2020-21. The net decrease can be primarily attributed to capital grants and contributions for water and sewer projects received in FY 2020-21.

# CITY OF COLUSA MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

## City of Colusa Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Activities		Total Percentage Change
	2021	2022	2021	2022	2021	2022	
Expenses							
General government	\$ 967,027	\$ 1,193,435	\$ -	\$ -	\$ 967,027	\$ 1,193,435	23.4%
Public safety	2,772,607	3,403,359	-	-	2,772,607	3,403,359	22.7%
Public works	1,079,826	1,227,254	-	-	1,079,826	1,227,254	13.7%
Culture and recreation	452,359	597,977	-	-	452,359	597,977	32.2%
Community development	213,474	229,444	-	-	213,474	229,444	7.5%
Water operations	-	-	1,348,225	1,433,978	1,348,225	1,433,978	6.4%
Sewer operations	-	-	3,587,072	3,786,583	3,587,072	3,786,583	5.6%
Solid waste operations	-	-	-	-	-	-	0.0%
Interest on long term debt	2,013	1,276	-	-	2,013	1,276	-36.6%
<b>Total Expenses</b>	<b>5,487,306</b>	<b>6,652,745</b>	<b>4,935,297</b>	<b>5,220,561</b>	<b>10,422,603</b>	<b>11,873,306</b>	<b>13.9%</b>
Change in net position	932,341	77,321	288,694	(504,790)	1,221,035	(427,469)	-135.0%
Net Position - Beginning of year	5,882,580	6,814,921	17,001,309	17,290,003	22,883,889	24,104,924	5.3%
Net Position - End of year	<u>\$ 6,814,921</u>	<u>\$ 6,892,242</u>	<u>\$ 17,290,003</u>	<u>\$ 16,785,213</u>	<u>\$ 24,104,924</u>	<u>\$ 23,677,455</u>	-1.8%



Total governmental expenses for the fiscal year 2021-22 were \$6.6 million, an increase of \$ 1.2 million, or 21.24 percent when compared to the fiscal year 2020-21. Several elements contributed to the increase in expenses; inflation, city-sponsored events, new recreational activities, an increase in unfunded liability, liability insurance, and health insurance expenditures.

Total business-type activity expenses for fiscal year 2021-22 were \$5.2 million, an increase of \$285,264, or 5.8 percent when compared to fiscal year 2020-21. Higher operational costs related to both water and sewer operations account for the increase.

Total government-wide net position decreased by \$427,469 from fiscal year 2020-21 to fiscal year 2021-22. Of this amount governmental activities net position increased by \$77,321 while business-type net position decreased by \$504,790.

**CITY OF COLUSA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

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

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

**Governmental Funds.** All of the City's governmental funds, with the exception of certain grant-related funds for which reimbursement is ultimately anticipated (Traffic Safety and State Park Fund) ended the year with positive fund balances. The ending fund balance for all governmental funds is \$7.6 million. Of the total fund balance, \$3.3 million is unassigned, which is available for spending at the City's discretion. See the notes to the financial statements, note 10, for a more in depth discussion of fund balance designations.

The General fund is the chief operating fund of the City. As of June 30, 2022, the total fund balance of the General fund was \$3.4 million, of which \$3.8 million is unassigned.

Total governmental revenues exceeded total expenditures, excluding other financing sources/uses, by \$1,238,515.

**Proprietary Funds.** The City's sewer operations, water operations, and former solid waste/corporation yard remodel funds ended the year with positive net position. The vast majority of the unrestricted net position in the City's proprietary funds is available for ongoing operations and capital activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General fund budgetary comparison schedule is shown on page 61 of this report. Significant changes to the original budgeted revenues included higher budgeted collections of taxes and assessments and charges for services. Significant changes to originally budgeted expenditures included increased staffing and services costs primarily in the general government and public safety and community development budgets. The budgeted surplus of \$69,291 in fund balance during fiscal year 2021-22 was primarily due to actual expenditures coming under budget.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

City of Colusa Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-Type Activities		Total Activities	
	2021	2022	2021	2022	2021	2022
Land	\$ 168,613	\$ 168,613	\$ 5,860,839	\$ 5,860,839	\$ 6,029,452	\$ 6,029,452
Construction in progress	137,840	103,735	3,407,528	3,767,868	3,545,368	3,871,603
Infrastructure	1,207,216	1,161,823	112,000	106,624	1,319,216	1,268,447
Structures and improvements	4,897,781	4,593,017	20,080,172	18,335,185	24,977,953	22,928,202
Equipment and vehicles	700,821	818,694	854,515	631,856	1,555,336	1,450,550
Software	2	2	-	-	2	2
<b>Totals</b>	<u>\$ 7,112,273</u>	<u>\$ 6,845,884</u>	<u>\$ 30,315,054</u>	<u>\$ 28,702,372</u>	<u>\$ 37,427,327</u>	<u>\$ 35,548,256</u>

Completed major capital projects and acquisitions include new technology and equipment for the police and fire departments; a new rescue pumper for the fire department; funds applied towards city-wide roadway and overlay projects; a tractor and water pump for the water department; and an ultraviolet rebuild and infrastructure for the sewer department. Additionally, ongoing construction-in-progress expenditures were incurred towards CalTrans COOP and Bridge Street Improvement Projects in the water department; and Wastewater Treatment Plant and Collection System Upgrade Project in the sewer department.

**CITY OF COLUSA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

Additional information on the City's capital assets can be found in note 4 of the Notes to Basic Financial Statements on page 37 and 38 of this report.

**Long-Term Debt.** The City's long-term debt as of June 30, 2022, was \$24 million, and includes \$19.6 million in loans related to improvements made to the City's wastewater treatment facility, \$18,147 in capital lease payments related to the City's purchase of a mower, \$5.1 million in the net pension liability, and \$.58 million in net OPEB liability. Additional information on the City's long-term debt can be found in Note 7 of the Notes to Basic Financial Statements on pages 39-41 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The City anticipates an increase in revenue of \$250,000 from property tax and measure B sales tax and an increase of \$200,000 in General fund revenues and expenditures, respectively, in fiscal year 2022-23 (adopted budget) when compared to revised budgeted amounts for fiscal year 2021-22. The General fund budget anticipates activity levels similar to those experienced in fiscal year 2021-22 with particular attention being placed on expected continued increases in personnel costs – primarily due to rising CalPERS retirement costs. The City continues to maintain a watchful eye on future impacts of cost drivers associated with increasing CalPERS retirement premiums and other costs related to the implementation of future memoranda of understanding and contracts related to the City's labor force. It is anticipated that the City will use approximately \$100,000 in fund balance to balance the fiscal year 2022-23 budget.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Colusa's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Department, City of Colusa, 425 Webster Street, Colusa, CA, 95932.



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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**CITY OF COLUSA**  
**Statement of Net Position**  
**June 30, 2022**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 7,367,228	\$ 9,064,797	\$ 16,432,025
Receivables:			
Accounts	219,328	158,833	378,161
Interest	8,585	11,389	19,974
Taxes	418,186	-	418,186
Prepaid insurance	57,078	-	57,078
Loans receivable	2,493,691	-	2,493,691
Capital assets:			
Non-depreciable	272,348	9,628,707	9,901,055
Depreciable, net	6,573,536	19,073,665	25,647,201
Total capital assets	<u>6,845,884</u>	<u>28,702,372</u>	<u>35,548,256</u>
<b>Total Assets</b>	<u>17,409,980</u>	<u>37,937,391</u>	<u>55,347,371</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension adjustments	1,371,981	294,257	1,666,238
Deferred OPEB adjustments	281,968	110,898	392,866
<b>Total Deferred Outflows of Resources</b>	<u>1,653,949</u>	<u>405,155</u>	<u>2,059,104</u>
<b>LIABILITIES</b>			
Accounts payable	145,820	51,955	197,775
Salaries and benefits payable	21,391	-	21,391
Retention payable	-	66,788	66,788
Deposits payable	2,000	-	2,000
Unearned revenue	296,305	-	296,305
Interest payable	-	140,542	140,542
Long-term liabilities:			
Due within one year	105,066	802,370	907,436
Due in more than one year	81,009	18,900,700	18,981,709
Net pension liability	4,675,500	455,878	5,131,378
Net OPEB liability	396,884	187,475	584,359
<b>Total Liabilities</b>	<u>5,723,975</u>	<u>20,605,708</u>	<u>26,329,683</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred housing loan payments	2,493,691	-	2,493,691
Deferred pension adjustments	3,369,205	722,616	4,091,821
Deferred OPEB adjustments	584,816	229,009	813,825
<b>Total Deferred Inflows of Resources</b>	<u>6,447,712</u>	<u>951,625</u>	<u>7,399,337</u>

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

Continued (Page 1 of 2)

**CITY OF COLUSA**  
**Statement of Net Position**  
**June 30, 2022**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>NET POSITION</b>			
Net investment in capital assets	6,827,737	9,075,352	15,903,089
Restricted for:			
General government	190,720	-	190,720
Public safety	1,970,762	-	1,970,762
Public works	1,616,064	-	1,616,064
Culture and recreation	143,718	-	143,718
Community development	332,219	-	332,219
Capital improvement	-	5,738,994	5,738,994
Debt service	-	211,457	211,457
Unrestricted	(4,188,978)	1,759,410	(2,429,568)
<b>Total Net Position</b>	<u><u>\$ 6,892,242</u></u>	<u><u>\$ 16,785,213</u></u>	<u><u>\$ 23,677,455</u></u>

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

Continued (Page 2 of 2)

**CITY OF COLUSA**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

<b><u>Functions/Programs:</u></b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental activities:				
General government	\$ 1,193,435	\$ 132,056	\$ 433,534	\$ -
Public safety	3,403,359	1,001,205	161,285	-
Public works	1,227,254	42,566	573,087	5,780
Culture and recreation	597,977	192,485	-	-
Community development	229,444	126,292	-	-
Interest on long-term debt	1,276	-	-	-
<b>Total Governmental Activities</b>	<b>6,652,745</b>	<b>1,494,604</b>	<b>1,167,906</b>	<b>5,780</b>
Business-type activities:				
Water operations	1,433,978	1,658,884	-	-
Sewer operations	3,786,583	2,912,893	-	-
<b>Total Business-Type Activities</b>	<b>5,220,561</b>	<b>4,571,777</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$ 11,873,306</b>	<b>\$ 6,066,381</b>	<b>\$ 1,167,906</b>	<b>\$ 5,780</b>

**General Revenues:**

Taxes:

    Property taxes

    Sales and use taxes

    Transient occupancy taxes

    Franchise taxes

Grants and contributions - unrestricted

Interest and investment earnings

Miscellaneous

**Total General Revenues**

**Change in Net Position**

**Net Position - Beginning**

**Net Position - Ending**

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

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

<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Totals</b>
\$ (627,845)	\$ -	\$ (627,845)
(2,240,869)	-	(2,240,869)
(605,821)	-	(605,821)
(405,492)	-	(405,492)
(103,152)	-	(103,152)
(1,276)	-	(1,276)
(3,984,455)	-	(3,984,455)
-	224,906	224,906
-	(873,690)	(873,690)
-	(648,784)	(648,784)
(3,984,455)	(648,784)	(4,633,239)
1,670,279	-	1,670,279
1,733,940	-	1,733,940
43,364	-	43,364
269,547	-	269,547
13,743	-	13,743
45,006	143,994	189,000
285,897	-	285,897
4,061,776	143,994	4,205,770
77,321	(504,790)	(427,469)
6,814,921	17,290,003	24,104,924
<u>\$ 6,892,242</u>	<u>\$ 16,785,213</u>	<u>\$ 23,677,455</u>

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**CITY OF COLUSA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	<b>General Fund</b>	<b>CDBG Program Income</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and investments	\$ 3,123,514	\$ 250,172	\$ 3,993,542	\$ 7,367,228
Receivables:				
Accounts	106,391	-	112,937	219,328
Interest	3,626	313	4,646	8,585
Taxes	406,393	-	11,793	418,186
Due from other funds	186,446	-	-	186,446
Prepaid insurance	57,078	-	-	57,078
Loans receivable	-	1,577,741	915,950	2,493,691
<b>Total Assets</b>	<u>\$ 3,883,448</u>	<u>\$ 1,828,226</u>	<u>\$ 5,038,868</u>	<u>\$ 10,750,542</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 133,686	\$ -	\$ 12,134	\$ 145,820
Salaries and benefits payable	21,391	-	-	21,391
Deposits payable	2,000	-	-	2,000
Due to other funds	-	-	186,446	186,446
Unearned revenue	296,305	-	-	296,305
<b>Total Liabilities</b>	<u>453,382</u>	<u>-</u>	<u>198,580</u>	<u>651,962</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred housing loan payments	-	1,577,741	915,950	2,493,691
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>1,577,741</u>	<u>915,950</u>	<u>2,493,691</u>
<b>FUND BALANCES</b>				
Nonspendable	57,078	-	-	57,078
Restricted	-	250,485	4,016,654	4,267,139
Unassigned	3,372,988	-	(92,316)	3,280,672
<b>Total Fund Balances</b>	<u>3,430,066</u>	<u>250,485</u>	<u>3,924,338</u>	<u>7,604,889</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 3,883,448</u>	<u>\$ 1,828,226</u>	<u>\$ 5,038,868</u>	<u>\$ 10,750,542</u>

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

**CITY OF COLUSA**  
**Reconciliation of the Governmental Funds Balance**  
**Sheet to the Government-Wide Statement of**  
**Net Position - Governmental Activities**  
**June 30, 2022**

<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 7,604,889</b>
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	6,845,884
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	1,653,949
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(3,954,021)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated absences	(167,928)
Capital leases	(18,147)
Net pension liability	(4,675,500)
Net OPEB liability	(396,884)

<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 6,892,242</u></u></b>
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The notes to the basic financial statements are an integral part of this statement.

**CITY OF COLUSA**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	<b>General Fund</b>	<b>CDBG Program Income</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 3,786,825	\$ -	\$ 261,516	\$ 4,048,341
Licenses and permits	166,678	-	318,784	485,462
Fines and forfeitures	16,744	-	3,645	20,389
Use of money	34,730	692	9,584	45,006
Intergovernmental	505,897	-	714,010	1,219,907
Charges for services	193,514	-	431,550	625,064
Other revenues	57,697	22,341	205,859	285,897
<b>Total Revenues</b>	<u>4,762,085</u>	<u>23,033</u>	<u>1,944,948</u>	<u>6,730,066</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,016,700	-	63,809	1,080,509
Public safety	2,374,746	-	268,070	2,642,816
Public works	528,870	-	221,518	750,388
Culture and recreation	289,786	-	157,712	447,498
Community development	167,536	2,358	56,119	226,013
Debt service:				
Principal	7,175	-	8,769	15,944
Interest and other charges	574	-	702	1,276
Capital outlay	124,814	-	202,293	327,107
<b>Total Expenditures</b>	<u>4,510,201</u>	<u>2,358</u>	<u>978,992</u>	<u>5,491,551</u>
<b>Net Change in Fund Balances</b>	251,884	20,675	965,956	1,238,515
<b>Fund Balances - Beginning</b>	<u>3,178,182</u>	<u>229,810</u>	<u>2,958,382</u>	<u>6,366,374</u>
<b>Fund Balances - Ending</b>	<u><u>\$ 3,430,066</u></u>	<u><u>\$ 250,485</u></u>	<u><u>\$ 3,924,338</u></u>	<u><u>\$ 7,604,889</u></u>

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

**CITY OF COLUSA**  
**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, 2022**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,238,515</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Expenditures for capital outlay	327,107
Less current year depreciation	(577,383)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale.

In the Statement of Activities, a gain or loss is reported for each disposal. This is the net cost of capital assets disposed. There were no significant proceeds from the sale of capital assets.	(16,113)
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal retirements	15,944
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Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.

Changes in deferred outflows of resources related to pension	(695)
Changes in deferred outflows of resources related to OPEB	34,658
Changes in deferred inflows of resources related to pension	(3,092,966)
Changes in deferred inflows of resources related to OPEB	(122,201)

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	(16,604)
Change in net pension liability	2,016,048
Change in net OPEB liability	271,011

<b>Change in Net Position of Governmental Activities</b>	<b>\$ 77,321</b>
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The notes to the basic financial statements are an integral part of this statement.

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**CITY OF COLUSA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Major Funds</b>		<b>Nonmajor</b>	<b>Totals</b>
	<b>Water Operations</b>	<b>Sewer Operations</b>	<b>Solid Waste Operations</b>	
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 4,040,742	\$ 4,881,722	\$ 142,333	\$ 9,064,797
Receivables:				
Accounts	91,949	66,884	-	158,833
Interest	5,109	6,104	176	11,389
<b>Total Current Assets</b>	<b>4,137,800</b>	<b>4,954,710</b>	<b>142,509</b>	<b>9,235,019</b>
Noncurrent Assets:				
Capital assets:				
Non-depreciable	163,840	9,464,867	-	9,628,707
Depreciable, net	2,343,468	16,730,197	-	19,073,665
<b>Total capital assets</b>	<b>2,507,308</b>	<b>26,195,064</b>	<b>-</b>	<b>28,702,372</b>
<b>Total Noncurrent Assets</b>	<b>2,507,308</b>	<b>26,195,064</b>	<b>-</b>	<b>28,702,372</b>
<b>Total Assets</b>	<b>6,645,108</b>	<b>31,149,774</b>	<b>142,509</b>	<b>37,937,391</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension adjustments	130,966	163,291	-	294,257
Deferred OPEB adjustments	47,967	62,931	-	110,898
<b>Total Deferred Outflows of Resources</b>	<b>178,933</b>	<b>226,222</b>	<b>-</b>	<b>405,155</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	34,895	17,060	-	51,955
Retention payable	-	66,788	-	66,788
Interest payable	-	140,542	-	140,542
Compensated absences	15,799	18,818	-	34,617
Loans payable	-	767,753	-	767,753
<b>Total Current Liabilities</b>	<b>50,694</b>	<b>1,010,961</b>	<b>-</b>	<b>1,061,655</b>

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

Continued (Page 1 of 2)



**CITY OF COLUSA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Major Funds</b>		<b>Nonmajor</b>	<b>Totals</b>
	<b>Water Operations</b>	<b>Sewer Operations</b>	<b>Solid Waste Operations</b>	
Noncurrent Liabilities:				
Compensated absences	20,215	21,218	-	41,433
Loans payable	-	18,859,267	-	18,859,267
Net pension liability	202,899	252,979	-	455,878
Net OPEB liability	76,345	111,130	-	187,475
<b>Total Noncurrent Liabilities</b>	<b>299,459</b>	<b>19,244,594</b>	<b>-</b>	<b>19,544,053</b>
<b>Total Liabilities</b>	<b>350,153</b>	<b>20,255,555</b>	<b>-</b>	<b>20,605,708</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension adjustments	321,618	400,998	-	722,616
Deferred OPEB adjustments	98,422	130,587	-	229,009
<b>Total Deferred Inflows of Resources</b>	<b>420,040</b>	<b>531,585</b>	<b>-</b>	<b>951,625</b>
<b>NET POSITION</b>				
Net investment in capital assets	2,507,308	6,568,044	-	9,075,352
Restricted for capital improvement	-	5,738,994	-	5,738,994
Restricted for debt service	-	211,457	-	211,457
Unrestricted	3,546,540	(1,929,639)	142,509	1,759,410
<b>Total Net Position</b>	<b>\$ 6,053,848</b>	<b>\$ 10,588,856</b>	<b>\$ 142,509</b>	<b>\$ 16,785,213</b>

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

Continued (Page 2 of 2)

**CITY OF COLUSA**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	Business-Type Activities - Enterprise Funds			
	Major Funds		Nonmajor	Totals
	Water Operations	Sewer Operations	Solid Waste Operations	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,592,834	\$ 2,911,271	\$ -	\$ 4,504,105
Other revenue	62,543	1,622	3,507	67,672
<b>Total Operating Revenues</b>	<u>1,655,377</u>	<u>2,912,893</u>	<u>3,507</u>	<u>4,571,777</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	566,050	682,590	-	1,248,640
Office expense	100,268	181,286	-	281,554
Insurance	79,985	80,098	-	160,083
Utilities	135,357	260,680	-	396,037
Supplies and tools	193,564	112,507	-	306,071
Maintenance and repair	61,850	164,499	-	226,349
Professional services	91,711	185,811	-	277,522
Miscellaneous	-	1,188	-	1,188
Depreciation	205,193	1,779,358	-	1,984,551
<b>Total Operating Expenses</b>	<u>1,433,978</u>	<u>3,448,017</u>	<u>-</u>	<u>4,881,995</u>
<b>Operating Income (Loss)</b>	<u>221,399</u>	<u>(535,124)</u>	<u>3,507</u>	<u>(310,218)</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Interest income	9,024	134,654	316	143,994
Interest expense	-	(338,566)	-	(338,566)
<b>Total Non-Operating Revenue (Expenses)</b>	<u>9,024</u>	<u>(203,912)</u>	<u>316</u>	<u>(194,572)</u>
<b>Change in Net Position</b>	<u>230,423</u>	<u>(739,036)</u>	<u>3,823</u>	<u>(504,790)</u>
<b>Total Net Position - Beginning</b>	<u>5,823,425</u>	<u>11,327,892</u>	<u>138,686</u>	<u>17,290,003</u>
<b>Total Net Position - Ending</b>	<u>\$ 6,053,848</u>	<u>\$ 10,588,856</u>	<u>\$ 142,509</u>	<u>\$ 16,785,213</u>

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

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**CITY OF COLUSA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Major Funds</b>		<b>Nonmajor</b>	<b>Totals</b>
	<b>Water Operations</b>	<b>Sewer Operations</b>	<b>Solid Waste Operations</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 1,601,640	\$ 2,905,684	\$ 3,709	\$ 4,511,033
Payments to suppliers	(641,774)	(1,387,171)	-	(2,028,945)
Payments to employees	(552,092)	(666,210)	-	(1,218,302)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>407,774</b>	<b>852,303</b>	<b>3,709</b>	<b>1,263,786</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	-	(397,728)	-	(397,728)
Principal paid on debt	-	(630,416)	-	(630,416)
Interest paid on debt	-	(325,180)	-	(325,180)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(1,353,324)</b>	<b>-</b>	<b>(1,353,324)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	6,084	131,747	222	138,053
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>6,084</b>	<b>131,747</b>	<b>222</b>	<b>138,053</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>413,858</b>	<b>(369,274)</b>	<b>3,931</b>	<b>48,515</b>
<b>Balances - Beginning</b>	<b>3,626,884</b>	<b>5,250,996</b>	<b>138,402</b>	<b>9,016,282</b>
<b>Balances - Ending</b>	<b>\$ 4,040,742</b>	<b>\$ 4,881,722</b>	<b>\$ 142,333</b>	<b>\$ 9,064,797</b>

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

Continued (Page 1 of 2)

**CITY OF COLUSA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Major Funds</b>		<b>Nonmajor</b>	<b>Totals</b>
	<b>Water Operations</b>	<b>Sewer Operations</b>	<b>Solid Waste Operations</b>	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 221,399	\$ (535,124)	\$ 3,507	\$ (310,218)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	205,193	1,779,358	-	1,984,551
Decrease (increase) in:				
Accounts receivable	(53,737)	(7,209)	202	(60,744)
Deferred outflows - pension adjustments	(42,749)	(53,176)	-	(95,925)
Deferred outflows - OPEB adjustments	(5,310)	(6,615)	-	(11,925)
Increase (decrease) in:				
Accounts payable	20,961	(401,102)	-	(380,141)
Compensated absences	8,235	9,512	-	17,747
Net pension liability	(227,143)	(283,812)	-	(510,955)
Net OPEB liability	(41,664)	(51,690)	-	(93,354)
Deferred inflows - pension adjustments	303,865	378,838	-	682,703
Deferred inflows - OPEB adjustments	18,724	23,323	-	42,047
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 407,774</u>	<u>\$ 852,303</u>	<u>\$ 3,709</u>	<u>\$ 1,263,786</u>

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

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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

**A. Reporting Entity**

The City of Colusa was incorporated in 1868, under the laws and regulations of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services, water, sewer and solid waste.

**Component Units**

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

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

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City Council. Separate financial statements for the City of Colusa Public Financing Authority are not issued.

**Blended Component Units**

*City of Colusa Public Financing Authority* - The Authority was established December 7, 2010, by the execution of a Joint Exercise of Powers Agreement between the City of Colusa and the former City of Colusa Redevelopment Agency. The Authority was created for the purpose of providing financing for public capital improvements owned and operated by the City. The Authority is the lessor for the City's Certificates of Participation (Wastewater System Improvement Project) and makes debt service payments on behalf of the City. The City Council is the governing body of the Authority and because its financial and operational relationship with the City is closely integrated, the activity and debt of the Authority is reported in the Sewer Operations enterprise fund financial statements.

**Discretely Presented Component Units**

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

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**Joint Agencies**

The City is a participant in Northern California Cities Self-Insurance Fund (NCCSIF), the purpose of which is for member Cities to share in the administrative costs of providing liability and workers' compensation insurance. The NCCSIF is governed by a board of directors appointed by the member cities. Complete financial information can be obtained from the Program Administrator at, 2180 Harvard Street, Suite 460, Sacramento, CA 95815. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

**B. Basis of Presentation**

**Government-Wide Financial Statements**

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

**Fund Financial Statements**

The fund financial statements provide information about the City's funds, including blended component units. Funds are organized into two major categories: governmental and proprietary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor 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, planning and zoning, general administrative services and public works.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

The City reports the following major governmental funds (Continued):

- The CDBG Program Income fund is a special revenue fund used to account for revenues and expenditures related to the Community Development Block Grant (CDBG) activity. Funding comes primarily from program income.

The City reports the following major proprietary funds:

- The Water Operations fund is an enterprise fund used to account for activity related to providing customers with water and billing for services provided by the City.
- The Sewer Operations fund is an enterprise fund used to account for activity related to providing customers with sewer and billing for services provided by the City.

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

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

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

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

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Non-Current Governmental Assets/Liabilities**

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

**E. Cash and Cash Equivalents**

For purposes of the accompanying Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased, including amounts held in the City's investment pool, to be cash and cash equivalents.

**F. 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.

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

Income from pooled investments is allocated to the individual funds based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund.

**G. Receivables**

Receivables for governmental activities consist mainly of accounts, interest, taxes and amounts due from other governments. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

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

**H. Other Assets**

**Inventory**

Governmental fund and proprietary fund inventories are recorded as expenditures/expenses at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Other Assets (Continued)**

**Prepaid Items**

Payments made for services that will benefit periods beyond June 30, 2022, are recorded as prepaid costs under both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The City records prepaid insurance for the net investment in a joint powers self-insurance agency.

**I. Loans Receivable**

A total of \$2,493,691 was recorded as loans receivable at June 30, 2022. These represent low interest notes and related accrued interest to finance multi-family and single-family construction and rehabilitation projects and homebuyer assistance for low-income families. Loan terms are 15 to 55 years with an interest rate at 0 to 5 percent. The primary source of funding for these loans comes from grants from the federal Community Development Block Grant (CDBG) program and Home Investment Partnerships (HOME) program. The CDBG and HOME grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements. Due to the terms of the loans, offsetting deferred inflows of resources of \$2,493,691 have been established in the Governmental Activities Statement of Net Position and the Governmental Funds Balance Sheet for the loan principal and interest payments.

**J. Capital Assets**

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, water, sewer, and similar items) are defined by the City as assets with a cost greater than \$500 for office equipment, \$1,000 for buildings and machinery and equipment, and \$3,000 for water system infrastructure and a useful life of at least two years. Capital assets are recorded at historical or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their fair value at the date of donation.

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

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	5 to 10 years
Structures and improvements	10 to 40 years
Infrastructure	20 to 75 years
Intangibles (computer software)	5 to 10 years

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

**K. Property Tax**

Colusa 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.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Property Tax (Continued)**

Property taxes are levied on a fiscal year (July 1 - June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1 and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

The City recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end.

**L. Interfund Transactions**

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

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

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

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

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

**M. Compensated Absences**

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation leave and an unlimited amount of sick leave. In the government-wide financial statements the accrued compensated absences is recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature. In the proprietary funds the accrued compensated absences is recorded as an expense and related liability in the year earned. The City includes its share of Social Security and Medicare taxes payable on behalf of the employees in the accrual for compensated absences.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Compensated Absences (Continued)**

Unused vacation is paid to employees upon termination. The maximum accrual for employees in the police, middle management, department head and miscellaneous groups for vacation is one and a half times the employees' annual vacation leave credits, and for fire department employees the maximum accrual is two and a half times the employees' annual vacation leave credits. Annually, all employees may "sell back" a portion of their unused vacation. In addition to vacation, police, middle management, department heads, and miscellaneous employees also accrue sick leave credits. Fire department employees do not accrue sick leave credits. There is no limit as to the accrual of sick leave. After 10 years of service, the employee may be paid for up to 50 percent of the sick leave accrual to a maximum of 300 hours upon termination or retirement.

**N. Pension**

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

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	June 30, 2020 to June 30, 2021

**O. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	June 30, 2020 to June 30, 2021

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items which qualify for reporting in this category. The first item relates to the housing loan principal and interest receivable amount and is reportable on the Statement of Net Position as well as on the governmental funds balance sheet. The second and third items relate to the inflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

**Q. Estimates**

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

**R. Implementation of Governmental Accounting Standards Board (GASB) Statements**

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

**Statement No. 87, Leases.** This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period.** This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period.

**Statement No. 92, Omnibus 2020.** This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

**Statement No. 93, Replacement of Interbank Offered Rates.** The objective of this Statement is to address implications of GASB Statement No. 53 and GASB Statement No. 87 and other accounting and financial reporting implications that result from the replacement of an IBOR.



**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Implementation of Governmental Accounting Standards Board (GASB) Statements (Continued)**

**Statement No. 97**, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**S. Future Accounting Pronouncements**

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 91 “Conduit Debt Obligations” The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)

Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements” The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

Statement No. 96 “Subscription-Based Information Technology Arrangements” The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Deficit Fund Balance**

The following non-major governmental funds had deficit fund balances at June 30, 2022:

Traffic Safety	\$ 4,212
Improvement District	31,200
State Park	56,904

Some of these deficits may be eliminated in the future through grant revenues. Certain amounts of these deficits will ultimately become the responsibility of the General fund.

**NOTE 3: CASH AND INVESTMENTS**

**A. Financial Statement Presentation**

As of June 30, 2022, the City’s cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 7,367,228
Business-type activities	<u>9,064,797</u>
Total Cash and Investments	<u>\$ 16,432,025</u>

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**A. Financial Statement Presentation (Continued)**

As of June 30, 2022, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 500
Deposits (less outstanding checks)	<u>5,763,225</u>
Total Cash	<u>5,763,725</u>
Investments:	
Local Agency Investment Fund (LAIF)	<u>10,668,300</u>
Total Investments	<u>10,668,300</u>
Total Cash and Investments	<u>\$ 16,432,025</u>

**B. Cash**

At year end, the carrying amount of the City's cash deposits (including amounts in a checking account) was \$5,763,225 and the bank balance was \$5,865,482. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the City had cash on hand of \$500.

Custodial Credit Risk For Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the 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 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.

**C. Investments**

The City has an investment policy, the purpose of which is to establish guidelines for the prudent investment of the City's funds, and outline the policies for maximizing the efficiency of the City's cash management program. The ultimate goal is to enhance the economic status of the City while protecting its pooled investments.

The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Under the provisions of the City's investment policy the City may invest or deposit in the following:

- Securities of the U.S. Government, or its agencies
- Small Business Administration loans
- Certificates of Deposit or Time Deposits placed with commercial banks and/or savings and loan companies
- Negotiable Certificates of Deposit
- Bankers' Acceptances for a maximum of 180 days
- Commercial Paper for a maximum of 270 days
- Local Agency Investment Fund (LAIF)
- Demand Accounts – Insured/Collateralized

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

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

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

At June 30, 2022, the City had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments Measured at Fair Value	-	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Investments in External Investment Pool				
LAIF	<u>10,668,300</u>			
Total Investments	<u>\$10,668,300</u>			

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit the exposure to fair value losses resulting from increases in interest rates, the City's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the City to meet all projected obligations. Any investments that mature more than five years from the date of purchase cannot occur without prior approval of the City Council.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

As of June 30, 2022, the City had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
LAIF	Variable	\$ 10,668,300	\$ -	\$ 10,668,300	-
Total Investments		\$ 10,668,300	\$ -	\$ 10,668,300	-

**Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2022, the City's investments were all pooled with LAIF which is not rated by a nationally recognized statistical rating organization.

**Custodial Credit Risk** - Custodial credit risk for investments 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's investment policy requires that all securities owned by the City shall be held in safekeeping by a third-party bank trust department.

**Concentration of Credit 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 one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. All investments of the City were pooled with LAIF which holds a diversified portfolio of high quality investments.

**D. Investment in External Investment Pool**

The City of Colusa maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2022, the City's investment in LAIF valued at amortized cost was \$10,668,300 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$234.5 billion. Of that amount, 98.12 percent is invested in non-derivative financial products and 1.88 percent in structured notes and asset-backed securities.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Retirements/ Transfers	Balance June 30, 2022
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 168,613	\$ -	\$ -	\$ 168,613
Construction in progress	137,840	103,735	( 137,840)	103,735
Total Capital Assets, Not Being Depreciated	306,453	103,735	( 137,840)	272,348
Capital Assets, Being Depreciated				
Infrastructure	2,304,217	-	57,562	2,361,779
Improvements	6,477,560	-	-	6,477,560
Structures	2,464,363	-	-	2,464,363
Equipment	1,697,522	68,054	( 171,303)	1,594,273
Vehicles	3,271,229	155,318	( 372,913)	3,053,634
Software	53,959	-	-	53,959
Total Capital Assets, Being Depreciated	16,268,850	223,372	( 486,654)	16,005,568
Less Accumulated Depreciation For:				
Infrastructure	( 1,097,001)	( 102,955)	-	( 1,199,956)
Improvements	( 1,579,779)	( 304,764)	-	( 1,884,543)
Structures	( 2,464,363)	-	-	( 2,464,363)
Equipment	( 1,446,996)	( 57,353)	-	( 1,504,349)
Vehicles	( 2,820,934)	( 112,311)	608,381	( 2,324,864)
Software	( 53,957)	-	-	( 53,957)
Total Accumulated Depreciation	( 9,463,030)	( 577,383)	608,381	( 9,432,032)
Total Capital Assets, Being Depreciated, Net	6,805,820	( 354,011)	121,727	6,573,536
Governmental Activities Capital Assets, Net	<u>\$ 7,112,273</u>	<u>(\$ 250,276)</u>	<u>(\$ 16,113)</u>	<u>\$ 6,845,884</u>

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

	Balance July 1, 2021	Additions	Adjustments	Balance June 30, 2022
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 5,860,839	\$ -	\$ -	\$ 5,860,839
Construction in progress	3,407,528	385,946	( 25,606)	3,767,868
Total Capital Assets, Not Being Depreciated	9,268,367	385,946	( 25,606)	9,628,707
Capital Assets, Being Depreciated				
Infrastructure	4,276,182	-	-	4,276,182
Improvements	35,585,721	-	-	35,585,721
Structures	66,880	-	-	66,880
Equipment	1,780,767	-	-	1,780,767
Vehicles	1,114,040	11,529	-	1,125,569
Software	3,342	-	-	3,342
Total Capital Assets, Being Depreciated	42,826,932	11,529	-	42,838,461
Less Accumulated Depreciation For:				
Infrastructure	( 4,164,182)	( 5,376)	-	( 4,169,558)
Improvements	( 15,530,308)	( 1,742,757)	-	( 17,273,065)
Structures	( 42,121)	( 2,230)	-	( 44,351)
Equipment	( 1,142,303)	( 84,756)	-	( 1,227,059)
Vehicles	( 897,989)	( 149,432)	-	( 1,047,421)
Software	( 3,342)	-	-	( 3,342)
Total Accumulated Depreciation	( 21,780,245)	( 1,984,551)	-	( 23,764,796)
Total Capital Assets, Being Depreciated, Net	21,046,687	( 1,973,022)	-	19,073,665
Business-Type Activities Capital Assets, Net	<u>\$ 30,315,054</u>	<u>(\$ 1,587,076)</u>	<u>(\$ 25,606)</u>	<u>\$ 28,702,372</u>

**Depreciation**

Depreciation expense was charged to governmental activities as follows:

Public safety	\$ 124,898
Public works	161,125
Culture and recreation	<u>291,360</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 577,383</u>

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

Water Operations	\$ 205,193
Sewer Operations	<u>1,779,358</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 1,984,551</u>

**Construction in Progress**

Construct in progress for governmental activities related primarily to the Pirelli Building project.

Construction in progress for business-type activities related primarily to wastewater plant upgrades and wastewater lift station upgrades.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 5: INTERFUND TRANSACTIONS**

**Due To/From Other Funds**

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

The following are due to and due from balances as of June 30, 2022:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 186,446	\$ -
Nonmajor governmental funds	<u>-</u>	<u>186,446</u>
Total	<u>\$ 186,446</u>	<u>\$ 186,446</u>

**NOTE 6: UNEARNED REVENUES**

At June 30, 2022, the components of unearned revenue were as follows:

	<u>Unearned</u>
General Fund	
Coronavirus State and Local Fiscal Relief Funds received in advance	<u>\$ 296,305</u>
Total	<u>\$ 296,305</u>

**NOTE 7: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2021</u>	<u>Adjustments/ Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Compensated absences	\$ 151,324	\$ 95,841	(\$ 79,237)	\$ 167,928	\$ 88,348
Capital leases	<u>34,091</u>	<u>-</u>	<u>( 15,944)</u>	<u>18,147</u>	<u>16,718</u>
Total Governmental Activities	<u>\$ 185,415</u>	<u>\$ 95,841</u>	<u>(\$ 95,181)</u>	<u>\$ 186,075</u>	<u>\$ 105,066</u>
<b>Business-Type Activities</b>					
Compensated absences	\$ 58,303	\$ 32,674	(\$ 14,927)	\$ 76,050	\$ 34,617
Direct borrowing loans payable	<u>20,257,436</u>	<u>-</u>	<u>( 630,416)</u>	<u>19,627,020</u>	<u>767,753</u>
Total Business-Type Activities	<u>\$ 20,315,739</u>	<u>\$ 32,674</u>	<u>(\$ 645,343)</u>	<u>\$ 19,703,070</u>	<u>\$ 802,370</u>

Compensated absences are generally liquidated by the fund where the accrued liability occurred. The capital lease liability is liquidated by lease payments made by the departments leasing the equipment.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

Individual issues of debt payable outstanding at June 30, 2022, are as follows:

**Business-Type Activities**

Loans from Direct Borrowings:

United States Department of Agriculture Loan, dated December 18, 2013, in the amount of \$1,367,000, payable in annual principal installments of \$20,000 to \$54,000, with an interest rate of 2.75%, and maturity on December 1, 2053. The loan proceeds were used to finance certain improvements to the City's wastewater treatment system. \$ 1,196,000

State of California, State Water Resources Control Board Loan, dated November 16, 2007, in the amount of \$15,500,000, payable in annual installments of \$715,815, with an interest rate of 2.4% and maturity on January 15, 2039. The loan proceeds were used to finance the expansion of the wastewater treatment plant. 9,896,412

State of California, State Water Resource Control Board Loan, dated August 24, 2016, in the amount of \$4,700,000, payable in annual installments of \$183,574, with an interest rate of 1% and maturity of December 1, 2047. The loan proceeds were used to finance the Wastewater Treatment Plan Upgrade project. 4,184,608

State of California, State Water Resources Control Board Loan, dated October 15, 2020, in the amount of \$4,350,000, payable in annual installments of \$175,861 with an interest rate of 1.3% and maturity of December 1, 2051. The loan was used to finance the Wastewater Treatment Plan Upgrade project. 4,350,000

Total Loans from Direct Borrowings 19,627,020

Total Business-Type Activities \$ 19,627,020

The City has pledged sewer operations revenues, net of specified operating expenses, to repay loans from direct borrowings in the amount of \$19,627,020 issued in November 2007, December 2013 and August 2016.

Following is a schedule of debt payment requirements to maturity for long-term debt, excluding compensated absences that have indefinite maturities and capital leases which are reported in Note 8.

**Business-Type Activities**

Year Ended June 30	Loans from Direct Borrowings		
	Principal	Interest	Totals
2023	\$ 767,754	\$ 364,057	\$ 1,131,811
2024	778,845	353,291	1,132,136
2025	793,603	337,846	1,131,449
2026	809,678	322,069	1,131,747
2027	826,077	305,941	1,132,018
2028-2032	4,383,238	1,275,307	5,658,545
2033-2037	4,841,253	815,979	5,657,232
2038-2042	3,154,534	354,579	3,509,113
2043-2047	1,892,257	185,593	2,077,850
2048-2052	1,275,781	66,804	1,342,585
2053-2054	104,000	2,805	106,805
Total	<u>\$ 19,627,020</u>	<u>\$ 4,384,271</u>	<u>\$ 24,011,291</u>



**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 8: LEASES**

**Operating Leases**

Rental expenses incurred under operating leases are not considered material.

**Capital Leases**

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

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30, 2022</u>
Governmental activities	4.75%	\$ 18,147
Total		<u>\$ 18,147</u>

Equipment and related accumulated depreciation under capital lease are as follows:

	<u>Governmental Activities</u>
Equipment	\$ 76,803
Less: accumulated depreciation	( 30,721)
Net Value	<u>\$ 46,082</u>

As of June 30, 2022, capital lease annual amortization was as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>
2023	\$ 17,219
2024	<u>1,436</u>
Total Requirements	18,655
Less Interest	( 508)
Present Value of Remaining Payments	<u>\$ 18,147</u>

**NOTE 9: NET POSITION**

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

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 9: NET POSITION (CONTINUED)**

- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Net Position Restricted by Enabling Legislation**

The government-wide Statement of Net Position reports \$10,203,934 of restricted net position, of which \$2,760,244 is restricted by enabling legislation.

**Net Position Flow Assumption**

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

**NOTE 10: FUND BALANCES**

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

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 10: FUND BALANCES (CONTINUED)**

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

The fund balances for all major and nonmajor governmental funds as of June 30, 2022, were distributed as follows:

	General Fund	CDBG Program Income	Other Governmental Funds	Totals
<b>Nonspendable:</b>				
Prepaid costs	\$ 57,078	\$ -	\$ -	\$ 57,078
Subtotal	57,078	-	-	57,078
<b>Restricted for:</b>				
Community Development	-	250,485	81,734	332,219
SLESF	-	-	204,563	204,563
Strike Team	-	-	223,324	223,324
Gas Tax	-	-	422,893	422,893
County Transportation	-	-	577,815	577,815
Park Donations	-	-	656	656
Development Impact Fees	-	-	1,196,508	1,196,508
State Recycling Grant	-	-	16,273	16,273
Boat Launch	-	-	2,128	2,128
Historical Preservation	-	-	45,959	45,959
Lighting Districts	-	-	23,629	23,629
Cannabis Revenue	-	-	1,163,833	1,163,833
Developer Deposits	-	-	57,339	57,339
Subtotal	-	250,485	4,016,654	4,267,139
<b>Unassigned</b>	3,372,988	-	( 92,316)	3,280,672
Total	\$ 3,430,066	\$ 250,485	\$ 3,924,338	\$ 7,604,889

**Fund Balance Flow Assumption**

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

**Fund Balance Policy**

The City Council has adopted a fund balance policy for financial statement reporting. The policy establishes procedures for reporting fund balance classifications. The policy also provides for a measure of financial protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 11: PENSION PLAN**

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

**Plan Description**

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety police, Safety fire, and Miscellaneous (all other) Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

**Summary of Rate Tiers and Eligible Participants**

**Open for New Enrollment**

Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Safety Police PEPRA	Safety police members hired on or after January 1, 2013
Safety Fire PEPRA	Safety fire members hired on or after January 1, 2013

**Closed to New Enrollment**

Miscellaneous First Tier	Miscellaneous members hired before January 1, 2010
Miscellaneous Second Tier	Miscellaneous hired after July 1, 2010 and before December 31, 2012
Safety Police	Safety police members hired before January 1, 2013
Safety Fire	Safety fire members hired before January 1, 2013

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 11: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Benefits Provided (Continued)**

Each Rate Tier's specific provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous First Tier	2.0% @ 55	50 - 55	1.426% to 2.418%
Miscellaneous Second Tier	2.0% @ 60	50 - 60	1.092% to 2.418%
Miscellaneous PEPR	2.0% @ 62	52 - 62	1.000% to 2.500%
Safety Police	2.0% @ 50	50	2.000% to 2.700%
Safety Police PEPR	2.7% @ 57	50 - 57	2.000% to 2.700%
Safety Fire	2.0% @ 50	50	2.000% to 2.700%
Safety Fire PEPR	2.7% @ 57	50 - 57	2.000% to 2.700%

**Contributions**

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

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous First Tier	10.880%	7.000%	0.000%
Miscellaneous Second Tier	8.650%	7.000%	0.000%
Miscellaneous PEPR	7.590%	6.750%	0.000%
Safety Police	19.250%	9.000%	0.000%
Safety Police PEPR	13.130%	13.000%	0.000%
Safety Fire	19.250%	9.000%	0.000%
Safety Fire PEPR	13.130%	13.000%	0.000%

For the year ended June 30, 2022, the contributions recognized as part of pension expense for the Plan was as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 328,437	\$ -
Safety	440,198	-

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 11: PENSION PLAN (CONTINUED)**

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

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021 and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	<u>Proportion June 30, 2021</u>	<u>Proportion June 30, 2022</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	.09484%	.13595%	.04111%
Safety	.05490%	.07266%	.01776%

As of June 30, 2022, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 2,581,414
Safety	<u>2,549,964</u>
Total Net Pension Liability	<u>\$ 5,131,378</u>

For the year ended June 30, 2022, the City recognized pension expense of \$2,070,330. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 877,696	\$ -
Difference between expected and actual experience	725,137	-
Difference between projected and actual earnings on pension plan investments	-	( 3,771,157)
Differences between City contributions and proportionate share of contributions.	-	( 233,176)
Amortization due to differences in proportions	<u>63,405</u>	<u>( 87,488)</u>
Total	<u>\$ 1,666,238</u>	<u>(\$ 4,091,821)</u>

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 11: PENSION PLAN (CONTINUED)**

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

\$877,696 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended <u>June 30</u>	
2023	(\$ 673,741)
2024	( 736,801)
2025	( 852,347)
2026	( 1,040,390)
Thereafter	<u>-</u>
Total	( <u>\$ 3,303,279</u> )

**Actuarial Assumptions**

The total pension liability in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Investment Rate of Return	7.15%
Inflation	2.50%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

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

**Discount Rate**

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

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 11: PENSION PLAN (CONTINUED)**

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

**Long-Term Expected Rate of Return**

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

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

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
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	<u>1.0%</u>	0.00%	-0.92%
Total	<u>100.0%</u>		

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

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

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	<u>1% Decrease 6.15%</u>	<u>Discount Rate 7.15%</u>	<u>1% Increase 8.15%</u>
Miscellaneous	\$ 4,507,234	\$ 2,581,414	\$ 989,366
Safety	4,095,642	2,549,964	1,280,381



**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 11: PENSION PLAN (CONTINUED)**

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

**Pension Plan Fiduciary Net Position**

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

**NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. General Information about the OPEB Plan**

**Plan Description**

The City's defined benefit OPEB plan (the Plan) provides OPEB for all permanent full-time general and public safety employees of the City. The Plan is an agent multiple-employer defined benefit plan administered by the California Public Employees' Retirement System (CalPERS). The City Council reserves the authority to review and amend the funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the City.

**Benefits Provided**

The City reported that medical, dental and vision coverage is available to retirees.

If dental and/or vision coverage is selected, the retiree must pay 100 percent of the premiums. Since no OPEB liability is expected with respect to dental or vision coverage for retirees, neither is considered in the valuation of the net OPEB liability.

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). Access to this coverage requires the employee to satisfy the requirements for retirement under CalPERS, i.e., (a) attainment of age 50 (age 52 for miscellaneous PEPRAs employees) with 5 years of State or public agency service or (b) an approved disability retirement.

The employee must begin his or her retirement (pension) benefit within 120 days of terminating employment with the City to be eligible to continue medical coverage through the City and be entitled to the benefits described below. Once eligible, coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage. If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement, during any future open enrollment period or with a qualifying life event.

Under PEMHCA, the City is required to contribute toward retiree premiums for the retiree's lifetime or until coverage is discontinued. In accordance with a resolution executed in 2010, the City contributes the PEMHCA minimum employer contribution (MEC) for any City retiree who satisfies the requirements for access to coverage. For certain retirees, the City provides a medical premium stipend, which in combination with the PEMHCA minimum (MEC), provides an additional subsidy toward retiree (single coverage) medical premiums.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**A. General Information about the OPEB Plan (Continued)**

**Benefits Provided (Continued)**

The chart below summarizes the details about eligibility for and the amount of these benefits.

Date Hired	Date of Retirement	Group	Eligibility Requirements	Pre-Medicare Retiree Benefit	Medicare Retiree Benefit	Maximum Monthly Benefit for 2022
Any	Any	All Groups	At least age 50 with 5 years of PERS service	Required PEMHCA minimum Employer Contribution (MEC)		\$149
Any	Before 1/1/2011	All Groups	At least age 50 with 5 years of City service	100% Employee (Retiree) Only Premium		Not Applicable
Before 7/1/2010	On or After 1/1/2011	All except Police	At least age 50 with 5 years of City Service	100% Employee Only premium up to Blue Shield EPO Basic premium	100% Employee Only premium up to United Healthcare Supplemental Medicare Premium	Pre-Medicare \$1,116.01 Post-Medicare \$353.01
		Police		100% Employee Only premium up to PORAC Basic Premium		Pre-Medicare \$799.00 Post-Medicare \$353.01
On or After 7/1/2010	Any	All Groups	No additional benefits payable; PEMHCA MEC only; see above.			

City Council members are eligible to continue coverage in retirement, but, if they opt to do so, must pay 100 percent of the monthly premiums. The City does not contribute towards the monthly premiums for retired Council members.

**Employees Covered by Benefit Terms**

At June 30, 2022 the following plan members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	27
Active plan members	<u>32</u>
Total	<u>59</u>

**B. Net OPEB Liability**

The City's net OPEB liability of \$584,359, was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

**Actuarial Assumptions and Other Inputs**

The net OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	Last day of the prior fiscal year (June 30, 2021)
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Long Term Return on Assets	6.10% as of June 30, 2021 and 6.75% as of June 30, 2020 net of plan investment expenses and including inflation
Discount Rate	6.10% as of June 30, 2021 and 6.75% as of June 30, 2020
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in the valuation.
Salary Increase	3.0% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years
General Inflation Rate	2.5% per year
Healthcare cost trend rates	5.8% for 2023, to an ultimate rate of 3.9% for 2076 and later years
Mortality rates	MacLeod Watts Scale 2018 applied generationally from 2015

Demographic actuarial assumptions used in the June 30, 2021 valuation are based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements.

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

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e. Fair value of the Plan assets), and the net OPEB liability during the measurement period ending on June 30, 2021 for the City's proportionate share.

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) – (b)
Balances at fiscal year ending June 30, 2021	\$ 2,820,016	\$ 1,871,292	\$ 948,724
Changes during the period:			
Service cost	71,965	-	71,965
Interest cost	189,582	-	189,582
Difference between expected and actual experience	19,057	-	19,057
Change of assumptions	101,606	-	101,606
Contributions – employer	-	207,309	( 207,309)
Net investment income	-	540,010	( 540,010)
Benefit payments	( 166,711)	( 166,711)	-
Administrative expenses	-	( 744)	744
Net Changes	215,499	579,864	( 364,365)
Balances at fiscal year ending June 30, 2022	\$ 3,035,515	\$ 2,451,156	\$ 584,359

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

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

	1% Decrease <u>(5.10%)</u>	Discount Rate <u>(6.10%)</u>	1% Increase <u>(7.10%)</u>
Net OPEB liability	\$ 971,465	\$ 584,359	\$ 262,524

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

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

	Current Trend <u>-1%</u>	Current Trend <u></u>	Current Trend <u>+1%</u>
Net OPEB Liability	\$ 240,258	\$ 584,359	\$ 1,002,733

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

For the year ended June 30, 2022, the City recognized OPEB credit of (\$44,510). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 170,973	\$ -
Differences between expected and actual experience	16,846	( 517,272)
Net difference between projected and actual earnings on investments	-	( 296,553)
Contributions made subsequent to the measurement date	<u>205,047</u>	<u>-</u>
Total	<u>\$ 392,866</u>	<u>(\$ 813,825)</u>

The \$205,047 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended <u>June 30</u>	
2023	(\$ 169,900)
2024	( 167,474)
2025	( 157,164)
2026	( 130,927)
2027	( 37,216)
Thereafter	<u>36,675</u>
	<u>(\$ 626,006)</u>

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 13: 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.

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.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

The City is a member of Northern California Cities Self-Insurance Fund (NCCSIF), a joint powers agency which provides the City with a shared risk layer of coverage above the self-insured \$50,000 retention for liability and the self-insured \$100,000 retention for workers compensation. The NCCSIF is composed of 22 member cities and is governed by a board of directors appointed by the member cities. The governing board has authority over budgeting and financing. The City pays an annual premium to NCCSIF for its insurance coverage.

NCCSIF is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The Authority provides claims processing administrative services, risk management services, and actuarial studies. It is governed by a member from each city. The City of Colusa council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The Authority is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance.

Upon termination of the JPA agreement, all property of the Authority will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Authority. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The Authority establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**CITY OF COLUSA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 13: RISK MANAGEMENT (CONTINUED)**

The participants as of June 30, 2022 were as follows:

- |             |               |
|-------------|---------------|
| • Anderson  | • Lincoln     |
| • Auburn    | • Marysville  |
| • Colusa    | • Nevada City |
| • Corning   | • Oroville    |
| • Dixon     | • Paradise    |
| • Elk Grove | • Placerville |
| • Folsom    | • Red Bluff   |
| • Galt      | • Rio Vista   |
| • Gridley   | • Rocklin     |
| • Ione      | • Willows     |
| • Jackson   | • Yuba City   |

**NOTE 14: OTHER INFORMATION**

**A. Commitments and Contingencies**

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.

**B. Subsequent Events**

Management has evaluated events subsequent to June 30, 2022 through December 14, 2022, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

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**CITY OF COLUSA**  
**Required Supplementary Information**  
**City Pension Plan**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**For the Year Ended June 30, 2022**  
**Last 10 Years\***

<b>Measurement Date</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>Miscellaneous</b>				
Proportion of the net pension liability	0.03535%	0.08470%	0.08663%	0.08805%
Proportionate share of the net pension liability	\$ 2,199,333	\$ 2,323,706	\$ 3,009,400	\$ 3,470,828
Covered payroll	830,647	857,971	905,553	944,509
Proportionate share of the net pension liability as a percentage of covered payroll	264.77%	270.84%	332.33%	367.47%
Plan fiduciary net position as a percentage of the total pension liability	81.65%	80.61%	74.53%	72.90%
<b>Safety</b>				
Proportion of the net pension liability	0.03574%	0.05668%	0.05477%	0.05335%
Proportionate share of the net pension liability	\$ 2,223,462	\$ 2,335,364	\$ 2,836,914	\$ 3,187,952
Covered payroll	796,973	785,947	801,110	818,934
Proportionate share of the net pension liability as a percentage of covered payroll	278.99%	297.14%	354.12%	389.28%
Plan fiduciary net position as a percentage of the total pension liability	73.46%	72.30%	68.61%	68.10%

\* The City implemented GASB 68 for the fiscal year June 30, 2015, therefore only eight years are shown.

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
0.09091%	0.09281%	0.09484%	0.13595%
\$ 3,426,135	\$ 3,716,710	\$ 4,000,471	\$ 2,581,414
1,084,340	1,125,429	1,045,094	1,247,936
315.97%	330.25%	382.79%	206.85%
73.79%	73.04%	71.65%	82.30%
0.05448%	0.05450%	0.05490%	0.07266%
\$ 3,196,476	\$ 3,402,053	\$ 3,657,910	\$ 2,549,964
850,207	845,600	771,122	976,385
375.96%	402.32%	474.36%	261.16%
69.90%	69.59%	68.72%	77.79%

**CITY OF COLUSA**  
**Required Supplementary Information**  
**City Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2022**  
**Last 10 Years\***

<b>Fiscal Year</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>
<b>Miscellaneous</b>				
Contractually required contributions (actuarially determined)	\$ 113,374	\$ 176,639	\$ 76,063	\$ 87,037
Contributions in relation to the actuarially determined contributions	<u>(113,374)</u>	<u>(282,591)</u>	<u>(201,241)</u>	<u>(233,858)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (105,952)</u>	<u>\$ (125,178)</u>	<u>\$ (146,821)</u>
Covered payroll	\$ 857,971	\$ 905,553	\$ 944,509	\$ 1,084,340
Contributions as a percentage of covered payroll	13.21%	31.21%	21.31%	21.57%
<b>Safety</b>				
Contractually required contributions (actuarially determined)	\$ 214,713	\$ 243,449	\$ 121,078	\$ 126,342
Contributions in relation to the actuarially determined contributions	<u>(214,713)</u>	<u>(377,175)</u>	<u>(271,279)</u>	<u>(292,800)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (133,726)</u>	<u>\$ (150,201)</u>	<u>\$ (166,458)</u>
Covered payroll	\$ 785,947	\$ 801,110	\$ 818,934	\$ 850,207
Contributions as a percentage of covered payroll	27.32%	47.08%	33.13%	34.44%

\* The City implemented GASB 68 for the fiscal year June 30, 2015, therefore only eight years are shown.

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
\$ 91,911	\$ 91,254	\$ 113,608	\$ 113,788
<u>(255,698)</u>	<u>(276,291)</u>	<u>(328,437)</u>	<u>(416,854)</u>
<u>\$ (163,787)</u>	<u>\$ (185,037)</u>	<u>\$ (214,829)</u>	<u>\$ (303,066)</u>
\$ 1,125,429 22.72%	\$ 1,045,094 26.44%	\$ 1,247,936 26.32%	\$ 1,296,101 32.16%
\$ 132,612	\$ 125,401	\$ 163,878	\$ 163,273
<u>(353,918)</u>	<u>(385,227)</u>	<u>(440,198)</u>	<u>(460,842)</u>
<u>\$ (221,306)</u>	<u>\$ (259,826)</u>	<u>\$ (276,320)</u>	<u>\$ (297,569)</u>
\$ 845,600 41.85%	\$ 771,122 49.96%	\$ 976,385 45.08%	\$ 986,427 46.72%

**CITY OF COLUSA**  
**Required Supplementary Information**  
**City Pension Plan**  
**Notes to City Pension Plan**  
**For the Year Ended June 30, 2022**

**NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Summary of Changes of Benefits or Assumptions**

Benefit Changes: None

Changes of Assumptions: None

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

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

Valuation Date	June 30, 2019
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	7.00%
Payroll Growth	2.75%
Inflation	2.50%
Salary increases	Varies based on entry age and service
Investment rate of return	7.00%

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**CITY OF COLUSA**  
**Required Supplementary Information**  
**City OPEB Plan**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2022**  
**Last 10 Years\***

<b>Measurement Date</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
<b>Total OPEB Liability</b>				
Service Cost	\$ 95,414	\$ 86,611	\$ 89,424	\$ 69,867
Interest	239,103	217,975	225,075	183,599
Difference between expected and actual experience	(445,430)	-	(584,005)	-
Changes of assumption	62,950	-	95,599	-
Benefit payments	(236,494)	(230,403)	(189,351)	(167,131)
<b>Net Change in Total OPEB Liability</b>	(284,457)	74,183	(363,258)	86,335
<b>Total OPEB Liability - Beginning</b>	3,307,213	3,022,756	3,096,939	2,733,681
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 3,022,756</u>	<u>\$ 3,096,939</u>	<u>\$ 2,733,681</u>	<u>\$ 2,820,016</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 277,549	\$ 287,818	\$ 265,353	\$ 249,964
Net investment income	135,032	114,256	99,930	69,432
Benefit payments	(236,494)	(230,403)	(189,351)	(167,131)
Administrative expenses	(702)	(776)	(359)	(906)
Other expenses	-	(1,819)	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	175,385	169,076	175,573	151,359
<b>Plan Fiduciary Net Position - Beginning</b>	1,199,899	1,375,284	1,544,360	1,719,933
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 1,375,284</u>	<u>\$ 1,544,360</u>	<u>\$ 1,719,933</u>	<u>\$ 1,871,292</u>
<b>Net OPEB Liability - Ending (a) - (b)</b>	<u>\$ 1,647,472</u>	<u>\$ 1,552,579</u>	<u>\$ 1,013,748</u>	<u>\$ 948,724</u>
Plan fiduciary net position as a percentage of the total OPEB liability	83.48%	99.47%	169.66%	197.24%
Covered-employee payroll	\$ 1,763,442	\$ 1,763,442	\$ 2,166,393	\$ 2,231,354
Net OPEB liability as a percentage of covered-employee payroll	93.42%	88.04%	46.79%	42.52%

\* The City implemented GASB 75 for the fiscal year June 30, 2018, therefore only five years are shown.



**2020/2021**

\$ 71,965  
189,582  
19,057  
101,606  
(166,711)

215,499

2,820,016

\$ 3,035,515

\$ 207,309  
540,010  
(166,711)  
(744)  
-

579,864

1,871,292

\$ 2,451,156

\$ 584,359

419.46%

\$ 2,518,237  
23.21%

**CITY OF COLUSA**  
**Required Supplementary Information**  
**City OPEB Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2022**  
**Last 10 Years\***

	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Actuarially determined contributions	\$ 246,173	\$ 206,622	\$ 212,271	\$ 141,579
Contributions in relation to the actuarially determined contribution	<u>(287,817)</u>	<u>(265,353)</u>	<u>(249,964)</u>	<u>(210,166)</u>
Contribution deficiency (excess)	<u>\$ (41,644)</u>	<u>\$ (58,731)</u>	<u>\$ (37,693)</u>	<u>\$ (68,587)</u>
Covered-employee payroll	\$ 1,763,442	\$ 2,166,363	\$ 2,231,354	\$ 2,518,237
Contributions as a percentage of covered-employee payroll	16.32%	12.25%	11.20%	8.35%

\* The City implemented GASB 75 for the fiscal year June 30, 2018, therefore only five years are shown.

**2021/2022**

\$ 145,476  
(205,047)

\$ (59,571)

\$ 2,659,380  
7.71%

**CITY OF COLUSA**  
**Required Supplementary Information**  
**City OPEB Plan**  
**Notes to City OPEB Plan**  
**For the Year Ended June 30, 2022**

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

General Inflation Rate	2.5% per year
Salary Increase	3.0% per year
Spouse Coverage	The percentage of retirees assumed to cover a spouse in retirement decreased from 40% to 30%, based on review of recent retiree elections.
Medical Trend	Updated to use the Getzen healthcare trend model sponsored by the Society of Actuaries.
PEMHCA MEC Increases	The assumed trend on the PEMHCA is 4.0% per year based on recent historical and expected future increased in CPI-medical.
Excise Tax on High-Cost Coverage	The excise tax was excluded from the results given the December 2019 repeal of this provision of the Affordable Care Act.

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

The actuarially determined contribution (ADC) developed for the City's fiscal year ending June 30, 2022 was determined and presented in the June 30, 2021 Actuarial Valuation report.

**Methods and Assumptions Used to Determine Contributions:**

Actuarial cost method	Entry Age Normal, Level Percent of Pay
Amortization method	Level percent of pay, closed 30 years
Amortization period	20 years remain
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates	4.7% in 2022, fluctuating down to 4.0% by 2076
Salary increases	3.00%
Investment rate of return	6.10%
Retirement age	From 50 to 75
Mortality	2017 CalPERS' Experience Study; improvement using MacLeod Watts Scale 2018

**CITY OF COLUSA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2022**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 3,527,227	\$ 3,627,227	\$ 3,786,825	\$ 159,598
Licenses and permits	224,100	224,100	166,678	(57,422)
Fines and forfeitures	6,500	6,500	16,744	10,244
Use of money	14,000	14,000	34,730	20,730
Intergovernmental	46,500	771,339	505,897	(265,442)
Charges for services	210,769	210,769	193,514	(17,255)
Other revenues	195,750	196,250	57,697	(138,553)
<b>Total Revenues</b>	<u>4,224,846</u>	<u>5,050,185</u>	<u>4,762,085</u>	<u>(288,100)</u>
<b>EXPENDITURES</b>				
Current:				
General government	757,320	1,036,719	1,139,959	(103,240)
Public safety	2,271,698	2,330,150	2,374,746	(44,596)
Public works	739,640	805,935	529,750	276,185
Culture and recreation	69,579	108,408	298,210	(189,802)
Community development	638,073	586,380	167,536	418,844
<b>Total Expenditures</b>	<u>4,476,310</u>	<u>4,867,592</u>	<u>4,510,201</u>	<u>357,391</u>
<b>Net Change in Fund Balances</b>	<u>(251,464)</u>	<u>182,593</u>	<u>251,884</u>	<u>69,291</u>
<b>Fund Balances - Beginning</b>	<u>3,178,182</u>	<u>3,178,182</u>	<u>3,178,182</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 2,926,718</u>	<u>\$ 3,360,775</u>	<u>\$ 3,430,066</u>	<u>\$ 69,291</u>

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

<b>Total Expenditures - Budgetary Basis</b>	<b>\$ 4,510,201</b>
Debt service and capital outlay expenditures are included as functional expenditures for budgetary purposes, but are included as debt service principal and interest and capital outlay expenditures for financial reporting purposes.	
General government	(123,259)
Public works	(880)
Culture and recreation	(8,424)
Debt service - principal expenditures	7,175
Debt service - interest and other charges expenditures	574
Capital outlay expenditures	124,814
<b>Total Expenditures - Statement of Revenues, Expenditures and Changes in Fund Balances</b>	<b>\$ 4,510,201</b>

**CITY OF COLUSA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**CDBG Program Income - Major Special Revenue Fund**  
**For the Year Ended June 30, 2022**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Use of money	\$ 500	\$ 500	\$ 692	\$ 192
Other revenues	85,000	85,000	22,341	(62,659)
<b>Total Revenues</b>	<u>85,500</u>	<u>85,500</u>	<u>23,033</u>	<u>(62,467)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	85,100	85,100	2,358	82,742
<b>Total Expenditures</b>	<u>85,100</u>	<u>85,100</u>	<u>2,358</u>	<u>82,742</u>
<b>Net Change in Fund Balances</b>	400	400	20,675	20,275
<b>Fund Balances - Beginning</b>	<u>229,810</u>	<u>229,810</u>	<u>229,810</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u><u>\$ 230,210</u></u>	<u><u>\$ 230,210</u></u>	<u><u>\$ 250,485</u></u>	<u><u>\$ 20,275</u></u>

**CITY OF COLUSA**  
**Required Supplementary Information**  
**Note to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2022**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

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

The City follows these procedures annually in establishing the budgetary data reflected in the financial statements:

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

From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as recommended expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during the fiscal year. The City Manager may authorize transfers from one object or purpose to another within the same department.

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## **Combining Nonmajor Fund Financial Statements**

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## **Nonmajor Governmental Funds**

- **Special Revenue Funds**

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**CITY OF COLUSA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**Special Revenue Funds**  
**June 30, 2022**

	<b>Traffic Safety</b>	<b>Supplemental Law Enforcement (SLESF)</b>	<b>Strike Team</b>
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 213,498	\$ 224,222
Receivables:			
Accounts	878	-	-
Interest	4	269	287
Taxes	-	-	-
Loans receivable	-	-	-
<b>Total Assets</b>	<u>\$ 882</u>	<u>\$ 213,767</u>	<u>\$ 224,509</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 9,204	\$ 1,185
Due to other funds	5,094	-	-
<b>Total Liabilities</b>	<u>5,094</u>	<u>9,204</u>	<u>1,185</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred housing loan payments	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	204,563	223,324
Unassigned	(4,212)	-	-
<b>Total Fund Balances</b>	<u>(4,212)</u>	<u>204,563</u>	<u>223,324</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 882</u>	<u>\$ 213,767</u>	<u>\$ 224,509</u>

<b>Gas Tax</b>	<b>STIP Projects</b>	<b>Park Donations</b>	<b>Improvement District</b>	<b>County Transportation</b>	<b>HOME Program</b>	<b>Street Development Impact Fees</b>	<b>Law Enforcement Development Impact Fees</b>
\$ 388,388	\$ -	\$ 655	\$ -	\$ 577,311	\$ 153,054	\$ 418,857	\$ 178,042
33,990	-	-	-	-	-	-	-
515	-	1	-	504	80	516	218
-	-	-	8,446	-	-	-	-
-	-	-	-	-	915,950	-	-
<u>\$ 422,893</u>	<u>\$ -</u>	<u>\$ 656</u>	<u>\$ 8,446</u>	<u>\$ 577,815</u>	<u>\$ 1,069,084</u>	<u>\$ 419,373</u>	<u>\$ 178,260</u>
\$ -	\$ -	\$ -	\$ 831	\$ -	\$ -	\$ -	\$ -
-	-	-	38,815	-	71,400	-	-
-	-	-	39,646	-	71,400	-	-
-	-	-	-	-	915,950	-	-
-	-	-	-	-	915,950	-	-
-	-	-	-	-	-	-	-
422,893	-	656	-	577,815	81,734	419,373	178,260
-	-	-	(31,200)	-	-	-	-
<u>422,893</u>	<u>-</u>	<u>656</u>	<u>(31,200)</u>	<u>577,815</u>	<u>81,734</u>	<u>419,373</u>	<u>178,260</u>
<u>\$ 422,893</u>	<u>\$ -</u>	<u>\$ 656</u>	<u>\$ 8,446</u>	<u>\$ 577,815</u>	<u>\$ 1,069,084</u>	<u>\$ 419,373</u>	<u>\$ 178,260</u>

**CITY OF COLUSA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**Special Revenue Funds**  
**June 30, 2022**

	<b>Fire Development Impact Fees</b>	<b>Drainage Development Impact Fees</b>	<b>Park/Rec Development Impact Fees</b>
<b>ASSETS</b>			
Cash and investments	\$ 200,537	\$ 147,713	\$ 84,810
Receivables:			
Accounts	-	-	-
Interest	245	183	105
Taxes	-	-	-
Loans receivable	-	-	-
<b>Total Assets</b>	<b>\$ 200,782</b>	<b>\$ 147,896</b>	<b>\$ 84,915</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred housing loan payments	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	200,782	147,896	84,915
Unassigned	-	-	-
<b>Total Fund Balances</b>	<b>200,782</b>	<b>147,896</b>	<b>84,915</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 200,782</b>	<b>\$ 147,896</b>	<b>\$ 84,915</b>



<b>City Hall Development Impact Fees</b>	<b>Community Center Development Impact Fees</b>	<b>State Recycling Grant</b>	<b>Historical Preservation Committee</b>	<b>State Park</b>	<b>Boat Launch</b>	<b>C. Meadows West Lighting</b>	<b>Hoblit Lighting</b>
\$ 107,003	\$ 58,075	\$ 16,253	\$ 2,121	\$ -	\$ 45,904	\$ 2,865	\$ 154
-	-	-	-	-	-	-	-
132	72	20	7	-	55	11	9
-	-	-	-	-	-	884	650
-	-	-	-	-	-	-	-
<u>\$ 107,135</u>	<u>\$ 58,147</u>	<u>\$ 16,273</u>	<u>\$ 2,128</u>	<u>\$ -</u>	<u>\$ 45,959</u>	<u>\$ 3,760</u>	<u>\$ 813</u>
\$ -	\$ -	\$ -	\$ -	\$ 86	\$ -	\$ -	\$ -
-	-	-	-	56,818	-	-	-
-	-	-	-	56,904	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
107,135	58,147	16,273	2,128	-	45,959	3,760	813
-	-	-	-	(56,904)	-	-	-
<u>107,135</u>	<u>58,147</u>	<u>16,273</u>	<u>2,128</u>	<u>(56,904)</u>	<u>45,959</u>	<u>3,760</u>	<u>813</u>
<u>\$ 107,135</u>	<u>\$ 58,147</u>	<u>\$ 16,273</u>	<u>\$ 2,128</u>	<u>\$ -</u>	<u>\$ 45,959</u>	<u>\$ 3,760</u>	<u>\$ 813</u>

**CITY OF COLUSA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**Special Revenue Funds**  
**June 30, 2022**

	<b>Colusa FD2</b>	<b>Walnut Ranch</b>	<b>Cannabis Revenue</b>	<b>Developer Deposits</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and investments	\$ 11,859	\$ 5,356	\$ 1,084,422	\$ 72,443	\$ 3,993,542
Receivables:					
Accounts	-	-	78,069	-	112,937
Interest	16	12	1,342	43	4,646
Taxes	1,781	32	-	-	11,793
Loans receivable	-	-	-	-	915,950
<b>Total Assets</b>	<u>\$ 13,656</u>	<u>\$ 5,400</u>	<u>\$ 1,163,833</u>	<u>\$ 72,486</u>	<u>\$ 5,038,868</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 828	\$ 12,134
Due to other funds	-	-	-	14,319	186,446
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,147</u>	<u>198,580</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred housing loan payments	-	-	-	-	915,950
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>915,950</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	13,656	5,400	1,163,833	57,339	4,016,654
Unassigned	-	-	-	-	(92,316)
<b>Total Fund Balances</b>	<u>13,656</u>	<u>5,400</u>	<u>1,163,833</u>	<u>57,339</u>	<u>3,924,338</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 13,656</u>	<u>\$ 5,400</u>	<u>\$ 1,163,833</u>	<u>\$ 72,486</u>	<u>\$ 5,038,868</u>

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**CITY OF COLUSA**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Special Revenue Funds**  
**For the Year Ended June 30, 2022**

	<b>Traffic Safety</b>	<b>Supplemental Law Enforcement (SLESF)</b>	<b>Strike Team</b>
<b>REVENUES</b>			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeitures	3,645	-	-
Use of money	12	526	430
Intergovernmental	-	161,285	-
Charges for services	-	-	361,516
Other revenues	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total Revenues</b>	3,657	161,811	361,946
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	13,293	1,491	226,059
Public works	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	78,683	59,482
	<hr/>	<hr/>	<hr/>
<b>Total Expenditures</b>	13,293	80,174	285,541
	<hr/>	<hr/>	<hr/>
<b>Net Change in Fund Balances</b>	(9,636)	81,637	76,405
	<hr/>	<hr/>	<hr/>
<b>Fund Balances - Beginning</b>	5,424	122,926	146,919
	<hr/>	<hr/>	<hr/>
<b>Fund Balances - Ending</b>	\$ (4,212)	\$ 204,563	\$ 223,324
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<b>Gas Tax</b>	<b>STIP Projects</b>	<b>Park Donations</b>	<b>Improvement District</b>	<b>County Transportation</b>	<b>HOME Program</b>	<b>Street Development Impact Fees</b>	<b>Law Enforcement Development Impact Fees</b>
\$ -	\$ -	\$ -	\$ 82,430	\$ -	\$ -	\$ 42,566	\$ 35,803
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,070	-	2	8	1,026	108	926	628
275,329	-	-	5,780	266,616	-	-	-
-	-	-	21,057	-	-	-	-
-	-	-	-	-	143,065	-	-
276,399	-	2	109,275	267,642	143,173	43,492	36,431
-	-	-	-	-	-	-	-
-	(208)	-	-	-	-	-	-
127,352	-	-	-	19,166	-	75,000	-
-	-	-	129,797	-	-	-	-
-	-	-	-	-	56,119	-	-
-	-	-	7,175	-	-	-	-
-	-	-	574	-	-	-	-
7,661	-	-	44,253	-	5,362	6,852	-
135,013	(208)	-	181,799	19,166	61,481	81,852	-
141,386	208	2	(72,524)	248,476	81,692	(38,360)	36,431
281,507	(208)	654	41,324	329,339	42	457,733	141,829
\$ 422,893	\$ -	\$ 656	\$ (31,200)	\$ 577,815	\$ 81,734	\$ 419,373	\$ 178,260

**CITY OF COLUSA**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Special Revenue Funds**  
**For the Year Ended June 30, 2022**

	<u>Fire Development Impact Fees</u>	<u>Drainage Development Impact Fees</u>	<u>Park/Rec Development Impact Fees</u>
<b>REVENUES</b>			
Taxes and assessments	\$ 48,931	\$ -	\$ 9,015
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Use of money	509	433	274
Intergovernmental	-	-	-
Charges for services	-	-	-
Other revenues	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total Revenues</b>	49,440	433	9,289
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	890
Community development	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total Expenditures</b>	-	-	890
	<hr/>	<hr/>	<hr/>
<b>Net Change in Fund Balances</b>	49,440	433	8,399
	<hr/>	<hr/>	<hr/>
<b>Fund Balances - Beginning</b>	151,342	147,463	76,516
	<hr/>	<hr/>	<hr/>
<b>Fund Balances - Ending</b>	<u>\$ 200,782</u>	<u>\$ 147,896</u>	<u>\$ 84,915</u>

<b>City Hall Development Impact Fees</b>	<b>Community Center Development Impact Fees</b>	<b>State Recycling Grant</b>	<b>Historical Preservation Committee</b>	<b>State Park</b>	<b>Boat Launch</b>	<b>C. Meadows West Lighting</b>	<b>Hoblit Lighting</b>
\$ 5,168	\$ 4,147	\$ -	\$ -	\$ -	\$ -	\$ 8,824	\$ 6,488
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
285	191	64	13	1	91	18	17
-	-	5,000	-	-	-	-	-
-	-	-	-	-	15,468	-	-
-	-	-	7,460	28,253	-	-	-
5,453	4,338	5,064	7,473	28,254	15,559	8,842	6,505
-	-	-	9,300	-	-	8,247	8,397
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	24,029	2,996	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,594	-	-	-
-	-	-	-	128	-	-	-
-	-	-	-	-	-	-	-
-	-	-	9,300	25,751	2,996	8,247	8,397
5,453	4,338	5,064	(1,827)	2,503	12,563	595	(1,892)
101,682	53,809	11,209	3,955	(59,407)	33,396	3,165	2,705
\$ 107,135	\$ 58,147	\$ 16,273	\$ 2,128	\$ (56,904)	\$ 45,959	\$ 3,760	\$ 813

**CITY OF COLUSA**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Special Revenue Funds**  
**For the Year Ended June 30, 2022**

	<b>Colusa FD2</b>	<b>Walnut Ranch</b>	<b>Cannabis Revenue</b>	<b>Developer Deposits</b>	<b>Totals</b>
<b>REVENUES</b>					
Taxes and assessments	\$ 17,769	\$ 375	\$ -	\$ -	\$ 261,516
Licenses and permits	-	-	318,784	-	318,784
Fines and forfeitures	-	-	-	-	3,645
Use of money	21	26	2,856	49	9,584
Intergovernmental	-	-	-	-	714,010
Charges for services	-	-	-	33,509	431,550
Other revenues	-	32	-	27,049	205,859
<b>Total Revenues</b>	<b>17,790</b>	<b>433</b>	<b>321,640</b>	<b>60,607</b>	<b>1,944,948</b>
<b>EXPENDITURES</b>					
Current:					
General government	4,134	4,230	-	29,501	63,809
Public safety	-	-	27,435	-	268,070
Public works	-	-	-	-	221,518
Culture and recreation	-	-	-	-	157,712
Community development	-	-	-	-	56,119
Debt service:					
Principal	-	-	-	-	8,769
Interest and other charges	-	-	-	-	702
Capital outlay	-	-	-	-	202,293
<b>Total Expenditures</b>	<b>4,134</b>	<b>4,230</b>	<b>27,435</b>	<b>29,501</b>	<b>978,992</b>
<b>Net Change in Fund Balances</b>	<b>13,656</b>	<b>(3,797)</b>	<b>294,205</b>	<b>31,106</b>	<b>965,956</b>
<b>Fund Balances - Beginning</b>	<b>-</b>	<b>9,197</b>	<b>869,628</b>	<b>26,233</b>	<b>2,958,382</b>
<b>Fund Balances - Ending</b>	<b>\$ 13,656</b>	<b>\$ 5,400</b>	<b>\$ 1,163,833</b>	<b>\$ 57,339</b>	<b>\$ 3,924,338</b>

Continued (Page 3 of 3)